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A STUDY OF EDUCATIONAL FOUNDATIONS CREATED TO
ASSIST PUBLIC SCHOOL DISTRICTS IN ILLINOIS

by

William F. Crannell Jr.

A Dissertation Submitted to the Faculty of the Graduate School
of Loyola University of Chicago in Partial Fulfillment
of the Requirements for the Degree of
Doctor of Education

March

1994

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Abstract

The purpose of this study was to examine the growth of educational foundations serving public school districts in Illinois. The information was collected through the use of surveys, questionnaires and personal interviews. The research identified several factors which were crucial to creating and sustaining successful foundations. Effective leadership and the proper organizational structure were two of the most important of these.

The study also examined the amount of funds raised by the educational foundations in the state. It concluded that the amount of money being raised by these foundations was very little when compared to the overall budget of each district being assisted by a foundation. The data indicated that the most successful educational foundations were not necessarily the ones which were raising the most money. Foundation board members, school board members, administrators, and district staff measured success in other ways. Chief among these were: a) the ability of the foundation to provide funds and other resources to enrich the curriculum of the school district b) the ability of the foundation to get members of the community to take a more active role in supporting the school system c) the ability of the foundation to generate positive publicity for the schools, and d) the assistance given by the foundation to develop partnership links between the schools and businesses of the district.

The study also presented an in-depth case study of six successful foundations located throughout the state. These foundations were assisting school districts of various sizes. They were also serving communities that were very affluent as well as communities with a substantial number of low income residents. The examination revealed that successful foundations could be found serving poor school districts as well as wealthy ones. The success of the foundation was not contingent upon the per capita income of the residents of the district.

A recommendation was made to establish a network so that school districts with foundations throughout Illinois could share information and ideas. This network could also provide school districts considering starting an educational foundation with assistance in planning and development. Suggestions for further study were also given.

ACKNOWLEDGMENTS

I wish to acknowledge a number of people who supported me during this project: Dr. Max Bailey, Dr. Philip Carlin, and Dr. Lawrence Wyllie for their assistance and encouragement during both my doctoral studies and the writing of this dissertation, Dr. Donald Barnes, superintendent of schools, and members of the foundation board in Western Springs District 101 for their support and encouragement which took many forms during this process.

I would also like to thank the hundreds of people I have met and talked with both in Illinois and other parts of the country who have volunteered their time, energy, and money to create nonprofit educational foundations to assist the public schools in their communities. The efforts, enthusiasm, and commitment of these individuals has been inspirational to me.

DEDICATION

To my wife who encouraged me and supported me through this entire process. This project would never have been completed without her assistance.

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Chapter I

INTRODUCTION

Background

The Golden Age of educational funding has ended in Illinois. Gone are the days when local property owners proudly, and often almost automatically approved referendums that increased the ceilings in educational funds and allowed new school buildings to be constructed or old ones to be updated and expanded. Voters today, throughout Illinois and across the nation are balking at rapidly increasing tax bills on their properties. While taxpayers are aware that there are many causes for their rapidly increasing bills, much of their ire appears to be directed toward the public schools. One reason for this is the funding of schools constitutes a substantial portion of the local property tax bill. Many taxpayers, the vast majority of whom do not have children in the public schools, look upon the rapidly increasing cost of public education as a primary cause for their escalating tax bills. Many voters have not only become disenchanted with increased educational spending, they have begun actively searching for ways to cut or limit the increases in the amount of their taxes that are being used to finance public elementary and secondary education in their community. Since the prospect of substantial additional funds for school districts from either the federal or state government is very unlikely, many local school boards and district administrators have begun seeking creative new ways to increase the financial and community support of their schools. Starting nonprofit educational foundations has been one way to do this.

The goal of this study was not to debate whether this backlash against financial support of the public schools in Illinois, and across the nation was warranted or not. The purpose of this study was to explore the phenomenon of public school districts in Illinois, and throughout the nation of organizing private educational foundations as a means of generating additional funds to meet the ever increasing costs of educating children in the public schools.

The concept of creating a foundation for the purpose of giving financial assistance to a nonprofit organization is not new. The practice has been in existence for thousands of

years. "Harkhuf, an Egyptian nobleman who lived some twenty-three hundred years before Christ, saw to it that his charities were recorded on his tomb."¹ This, and comparable acts of the Pharaohs "are the earliest known efforts at projecting private will beyond life and they constitute the most rudimentary form of the foundation."²

"The ancient Greeks endowed libraries, and Plato bequeathed funds to support his academy after his death!"³ It was also common in ancient Greece for libraries and academies of learning to be endowed by groups of wealthy merchants and citizens who considered this to be part of their civic duty.⁴ This philanthropic tradition continued during Roman times when private associations were formed for the support of both hospitals and educational institutions. With the decline of the Roman era the tradition of creating organizations to support nonprofit institutions passed to religious groups. In the millennium that followed the fall of the western empire various groups within the Roman Catholic Church continued the philanthropic tradition of the Greeks and the Romans.⁵

During this period individuals also became very important in supporting education. During the reign of Charlemagne the establishment of schools through private donations was encouraged, and many schools flourished due to the generosity of numerous individuals. By the seventeenth century in Europe the guilds had also become a primary source of funds that assisted members, organizations, and institutions. Many of the institutions they supported had been organized by their members for educational purposes.

In England, during this period, a group of wealthy individuals developed the concept of the charitable trust.

. . . The device of legal trusteeship, as a means for establishing charitable gifts, developed because the feudal lords had enacted restrictive acts that limited direct giving to charities, particularly to the church. To avoid these limitations, a testator would convey the gift to another individual who would hold

¹ Warren Weaver, U.S. Philanthropic Foundations Their History, Structure, Management and Record (New York: Harper and Row, 1967), p. 6.

² Ibid.

³ William H. Sharron, The Development and Organizational of the Community College Foundation (Washington, D.C.: National Council for Resource Development, 1978), p. 1.

⁴ Ibid.

⁵ Margaret Gallagher, "A Study of Private Two-Year College Fund Raising Programs" (Ph.D. dissertation, Columbia University, 1964), p. 10.

it in trust for the beneficiary.⁶

One of the first recorded charitable trusts had as its primary purpose the raising of funds to support the college at Oxford. Many educational historians regard the creation of the charitable trust at Oxford as the basis for the philanthropic traditions begun in the United States. Early philanthropy in this country was designed “ . . . to duplicate Oxford and Cambridge in the New World.”⁷

In America the European tradition of philanthropic giving was seen with many early libraries and private schools receiving support from both religious groups and wealthy individuals through both endowments and bequests. The Quakers in Pennsylvania and the Puritans in New England were leaders in establishing the philanthropic tradition in the colonies. “In 1712, under the influence of the Quakers, the Pennsylvania Assembly passed an act to allow societies such as the Quakers to receive and hold gifts for churches, schools and hospitals.”⁸

When the new nation was formed the legal question of charitable giving received immediate attention. In 1776 and 1777 Pennsylvania and Vermont established state constitutional provisions that promoted the founding of charitable and nonprofit institutions. A number of other states followed their lead, but the idea of giving to charitable and educational institutions was not universally held. “In 1806 Virginia’s legislature enacted a statute barring gifts to religious organizations.”⁹ This was followed by a number of similar acts passed by the legislatures of other states. In 1819 in the case of Philadelphia Baptist Association v Hart’s Executors the United States Supreme Court adopted a restrictive view of charitable giving by refusing to uphold a bequest for the education of a Baptist youth for the ministry. The court based its decision on the English Statute of Charitable Uses which limited the types of bequests acceptable. The court held that this bequest for education did not meet the conditions of the Statute of Charitable Uses. This decision by the United States Supreme Court, and the subsequent passage of restrictive statutes on charitable giving in a number of states made giving to promote education somewhat difficult in the early part of the nineteenth century.

⁶ Charles T. Bargerstock, Educational Fund Raising and the Law (Washington, D.C.: Council for Advancement and Support of Education, 1984), p. 3.

⁷ Merle Curti and Roderick Nash, Philanthropy in the Shaping of American Higher Education (New Brunswick, N.J.: Rutgers University Press, 1965), p. 21.

⁸ Bargerstock, Educational Fund Raising, p. 5.

⁹ Ibid. p. 6.

The question of acceptable charitable giving for education was clarified in 1844 when the United States Supreme Court heard the case of Vidal v Girard's Executors. In this case the court sustained Stephen Girard's bequest to found a college for poor white orphan boys in Philadelphia. This decision by the Supreme Court was a very important one. "For American philanthropy, the Girard decision was a pledge of support from the highest court in the land."¹⁰

The American people, if not the Supreme Court, had recognized the importance of charitable giving to education from colonial days. Court decisions at both the local and state levels had shown great latitude in the interpretation of charitable contributions for educational purposes. Case law in the nineteenth century clearly established that the endowment of professorial chairs, the funding of scholarships, and the donation of funds for the construction of buildings were acceptable charitable donations for education. Court decisions had also validated the legality of donations of land, maintenance of physical plants, and the purchase of equipment for school classrooms. In addition, court decisions rendered in the twentieth century have also recognized gifts for student aid, scholarships, loans, and even the donation of materials to be used for gifts or prizes. In essence, the American courts have been very liberal in their definition of educational purpose. "They will uphold the validity of a gift or trust unless it is clearly unrelated to education or otherwise violates public policy."¹¹

These rulings have allowed, and encouraged educational institutions to actively seek financial support from many sources. Colleges and universities were the first to actively pursue donations to assist in their operations. In 1890 Yale University established the first alumni fund in the country.¹² This was followed in 1893 by the establishment of the first general foundation for higher education at the University of Kansas.¹³ This tradition of the establishment of private foundations has continued at a rapid pace in the United States. Between 1893 and 1975 approximately 26,000 nonprofit grant making

¹⁰ Howard Miller, The Legal Foundations of American Philanthropy 1776- 1844 (Madison, Wisconsin: The State Historical Society of Wisconsin, 1961), p. xiii.

¹¹ Bargerstock, Educational Fund Raising, p. 10.

¹² Sharron, The Development and Organizational of the Community College Foundation, p. 2.

¹³ Ibid.

foundations were founded for a myriad of causes throughout the United States.¹⁴

Most of the early foundations were established for the benefit of a particular institution, or to address a specific social problem such as housing, feeding or meeting the medical needs of the poor. In the last decade of the nineteenth century and the early part of the twentieth century a new type of foundation was started. This was the general purpose foundation. This type of foundation enabled the directors to address the causes, or seek solutions to a wide variety of problems. These general purpose foundations such as the Carnegie and Rockefeller foundations had an immediate, and major impact. They also became models for many foundations created in the second half of the twentieth century.

In 1914 the first community foundation was created. This was formed in Cleveland, Ohio. It was created by Frederick H. Goff who believed that better results and greater efficiency could be obtained by centralizing the authority of various charitable groups which were working toward the same goals. Since the formation of the Cleveland foundation a large number of cities and towns of various sizes across the United States have formed community foundations which pool funds, and support a myriad of causes including education.¹⁵

Many other foundations were founded specifically to assist educational institutions. The vast majority of these were created to assist both public and private colleges and universities. A significant number were also established to assist private and parochial elementary and secondary schools. Very few foundations were created solely to assist public elementary or secondary schools prior to 1975.¹⁶

Starting in the late 1970's public elementary and secondary schools became interested in the creation of nonprofit foundations. Although scattered examples of these organizations could be found throughout the nation prior to this time, a concentrated movement began in California. There were several factors which were instrumental in a large number of public elementary and secondary school districts throughout the state starting nonprofit foundations for the purpose of raising funds to help support their

¹⁴ Loren Renz(ed.), The Foundation Directory (New York: Foundation Center, 1987), p. v.

¹⁵ Brian O'Connell, Philanthropy in Action (McLean, Virginia: The Foundation Center, 1987), p. 6.

¹⁶ Richard Magat(ed.), Philanthropic Giving (Oxford: University Press, 1989), p. 159.

schools. Two of these factors, curtailing rapidly rising property taxes, and escalating per pupil spending, have gradually become common throughout much of the nation. These have helped foster the spread of foundations from California to many other regions of the country. Other factors have remained somewhat unique to California and have resulted in California remaining a leading state in both the number of foundations, and in the amount of revenue generated by these foundations organized to assist public school districts.

Foundation Movement in California

In the late 1970's school districts in California found themselves with an urgent need to find ways to generate additional revenues for schools beyond those obtained through local taxes. Public school enrollment at the elementary and secondary levels was decreasing in many parts of the country. The decline was much more rapid in some states than in others. Many school districts in California were experiencing rapid declines in student population during this era. This decline in enrollment contributed to increased costs for educating each child. These costs were further accelerated by inflationary factors which caused the amount of dollars spent on each pupil to skyrocket. Although these conditions were common to many school districts throughout the United States at that time, they seemed to hit California harder than most states.

A factor distinctive to California which had a tremendous impact on educational financing throughout the state during the 1970's resulted from a court decision. In 1971 the Supreme Court of California rendered an opinion that the state's

funding scheme which makes the quality of a child's education dependent upon upon the wealth of his school district invidiously discriminates against the poor in contravention of the equal protection clause of the Fourteenth Amendment and parallel clauses of the California constitution.¹⁷

This decision, commonly known as Serrano-Priest, was reaffirmed in 1977 solely on the State of California's constitutional grounds. The California Supreme Court ruled that the state legislature had five years to bring a \$100 differential range into practice as to the amount which could be spent per pupil in every district throughout the state. The Serrano-Priest and Serrano-Priest(II) decisions raised fears among many of the wealthier districts of the state that a drastic cut in the amount of money spent on each pupil by the

¹⁷ Edmund Reutter, The Law of Public Education (New York: Foundation Press, 1985), p. 223.

district would have to take place.¹⁸

The California Supreme Court ruling caused many districts to carefully examine their financial expenditures. While this was happening an additional event occurred which caused nearly every California school district to experience a sudden financial crisis. This was the passage of Proposition 13 by the voters of California in June of 1978. Proposition 13 had the immediate effect of changing public school finance in California more rapidly and dramatically than either the courts or state legislature had ever done. The passage of Proposition 13 "... triggered a sequence of school finance legislation that sent California school districts into a state of fiscal chaos."¹⁹

The impact of Proposition 13 on the California public school system was tremendous. It resulted in an almost immediate reduction of between 50% and 60% in property tax revenues throughout the state. This drastic action was approved by the voters by nearly a two to one margin because they wanted to bring an immediate end to the practice of accumulating huge cash surpluses which had been employed by many taxing bodies throughout the state. This practice had been employed by several school districts throughout California. Property values had skyrocketed in many parts of California during the early and middle 1970's. Corresponding increases in property assessments had created a large surplus in the state treasury. Many school districts had also benefited from this windfall by not lowering levies. This created huge reserve funds for many school districts. Angry taxpayers throughout the state reacted by passing a referendum which limited assessment increases to a fixed percentage per year except in the event that the parcel of land was sold. The passage of Proposition 13 resulted in a substantial decrease in the amount of money collected by taxing bodies. It hit schools very hard. It forced most school districts to cut budgets and reduce staff. It also challenged educators, school boards, and others interested in quality public education to search for new and creative ways to raise money to assist public elementary and secondary schools.

One solution designed to raise revenues was to create nonprofit educational foundations chartered solely for the purpose of raising funds to assist an individual school district. The origin of public school foundations in California could be directly tied to both voter dissatisfaction and legislative action. The nonprofit foundations were begun in

¹⁸ Ibid. p. 224.

¹⁹ Norm Miller, "What Has Proposition 13 Done to California's K-12 School System?," Thrust, 22 (October, 1983), p. 13.

California as a vehicle used by many districts to save existing educational programs. These foundations also had an appeal to many citizens because they were viewed as a source of revenue for the schools which would be beyond the control of both lawmakers and the voters. The educational foundations were designed to be a means by which school districts could increase revenues, as well as to avoid further cuts in programs and staff. Foundations were also viewed as a means to potentially raise additional funds which could be used to help establish new programs when funds from the traditional sources of local property and state tax revenues were not available.

Another reason why the creation of independent nonprofit foundations became very popular in California was the desire of restoring greater local control to the schools. The Serrano-Priest decisions and the passage of Proposition 13 had a major impact on the way public schools were financed in California. As a result of these actions, “. . . California went from approximately 30 percent to 80 percent state assumption.”²⁰ This heavy reliance on the state for educational funding bothered many administrators and local school board members. The creation of a local educational foundation was viewed by many as a positive way to give local districts the opportunity to reestablish greater control over the finances in their district.

The first district in California to create a nonprofit foundation as a direct result of Serrano-Priest and Proposition 13 was Beverly Hills.²¹ This district began their foundation in 1978. “Between the late 1970’s and the early 1980’s over one hundred not for profit foundations were established to assist public school districts in California.”²² In the period from the early 1980’s through the early 1990’s this phenomenon of creating local nonprofit educational foundations spread rapidly from California to other parts of the country. It was estimated that by the end of 1991 there were between 1,500 and 2,000 active foundations serving public elementary and secondary school districts in all parts of the country.²³

²⁰ Michael W. Kirst and Steven A. Sommers, “California Educational Interest Groups: Collective Action as a Logical Response to Proposition 13,” Education and Urban Society, 13(2) (February, 1981), p. 242.

²¹ Stanfill, Mangers and Associates, Report on School Foundations, (November, 1982), p. 2.

²² Percy E. Burrup, Vern Brumley Jr., and Rulon R. Garfield, Financing Education in a Climate of Change (Boston: Allyn and Bacon Inc., 1988), p. 122.

²³ Dennis Kelly, “School Foundations Bridge Budget Gaps” USA Today, 29 October 1991, p. 8D.

Although California had more foundations than any other state, there were also numerous foundations serving public elementary and secondary schools in many other parts of the country. The states where a significant number of foundations have been established are Colorado, Illinois, Massachusetts, Michigan, New Jersey, New York and Ohio.

The nonprofit foundations serving K-12 districts across the nation vary greatly in the amount of money they raise for their schools each year. In some cases foundations raise only a few hundred dollars annually. In others, the amount being raised is quite significant. In 1990 the California Consortium of Education Foundations surveyed its one hundred forty members to determine the amount of revenue raised, and what each foundation expected to receive from private sources during the upcoming year. Four of the districts reported the amount to be one million dollars or more.²⁴ Beverly Hills and San Marino had reported collecting one million dollars each in the previous year. "The San Francisco Foundation reported raising \$1.5 million and Los Angeles Education Foundation raised \$2 million."²⁵ Another forty-three of the members reported having raised between \$100,000 and \$500,000 during the previous year.²⁶

These statistics from the consortium indicated that significant amounts of private funds had been raised to support public elementary and secondary education through local foundations in California. The financial success of the foundations in California coupled with many others throughout the country has attracted much attention from both school board members and administrators. The idea of starting an educational foundation has become very popular in numerous public school districts across the nation. This has been especially true throughout the state of Illinois during the past three years.

Purpose of the Study

The major purpose of this study was to examine the efforts by public school districts in Illinois to establish nonprofit educational foundations. Although educators and school board members have historically claimed that they needed more funding, school districts throughout Illinois have generally received sufficient operating funds through local

²⁴ Percy E. Burrup, Vern Brumley Jr., and Rulon R. Garfield, Financing Education in a Climate of Change (Boston: Allyn and Bacon Inc., 1992), p. 128.

²⁵ Ibid.

²⁶ Ibid.

property taxes and a combination of state and federal funds. Because of uncertain economic times, the changing attitude of local taxpayers, a reduced percentage of financial assistance from the state, tax caps, legal suits, the trend of a growing number of students, and the continually escalating costs of educating each child, many districts have found they are unable to operate as they desire on the revenues obtained through traditional sources. Additional, and creative methods of financing public education need to be developed and implemented if the level of service to the school age population throughout the state is to be maintained.

Through the creation of educational foundations, public school districts in Illinois have begun replicating a type of fund raising activity that has occurred extensively in higher education as well as among private educational institutions in this country during the past century. This study was designed to provide both information and ideas for those operating, or considering the formation of an educational foundation to assist their school district.

The researcher initially attempted to determine the number of foundations that have been established by public school districts in Illinois. The study was also designed to ascertain additional information about the age, organizational structure, leadership styles, financial resources, and the relationship of the foundation to the school board and the district administration. The study also explored the evolution of a number of foundations throughout the state. By employing a case study component, the study focused on six foundations which were recognized as being very successful. The purpose of the case study component of the research was to identify factors which had been essential for each foundation being able to evolve from simply an idea to a mature, stable organization providing substantial assistance in many forms to the district.

Although the case studies were designed to examine only foundations that exist in Illinois, it is believed that the information and results of the research could be used by school districts throughout the country. A major goal of the study was to provide information which would be helpful to any district considering the creation of an educational foundation.

It was for these reasons that a study of public school foundations was undertaken. Much has been written about the positive benefits of starting an educational foundation. The literature from private consulting firms which work with school districts to establish foundations lists many ways that a nonprofit foundation can assist a district in improving

both its financial picture, and its public relations image. Journals, newspapers and magazines also contain numerous articles detailing success stories in fund raising and about the partnerships that have been created as a result of the efforts of a local educational foundation.

Although there have been many examples of successful foundations being created in California and other parts of the country, very little has been written about local educational foundations in Illinois. Much of the research in other parts of the country has focused on the number of foundations and the amount of money that they have raised. This research does present information about this aspect of foundations in Illinois. It also has been designed to go into greater depth. The research explores the nature of the foundation as an organization, its leadership, and the factors which contributed to its success. It does this by using both quantitative and qualitative sources to examine the organization of the foundation. The study also examines the relationship between the foundation and other formal organizations in the school district.

Local educational foundations have proven to be successful in numerous school districts throughout the nation over the past fifteen years. There has also been evidence which indicates that a number of foundations have not succeeded, or have not been nearly as successful as their organizers hoped. A purpose of this research was also to determine if there were key factors which might contribute to, or impede the success of a local education foundation either in Illinois or other school districts throughout the nation.

Definition of Terms

Throughout the study a number of terms were used frequently. Definitions for these terms are as follows:

A D A -Average Daily Attendance

Assessed valuation -Value placed upon personal and real property by a government unit for taxation purposes.

Board of Directors-A group of individuals chosen to make the decisions of the foundation.

Community foundation-A nonprofit organization designed to give a centralized

administration to separate charitable funds.

Contribution-To give money, time, knowledge, and assistance to an organization for charitable purposes.

Declining enrollment -A reduction in the number of pupils attending school in a given district at any given date.

Development officer -An individual whose responsibility it is to raise funds for the support of a private educational institution.

Donation -To give money, property, or services as a gift, grant or contribution to an organization or institution.

Endowment -The establishment of a fund for a nonprofit institution or organization. Usually only the interest income is spent for institutional needs.

Financing -The science and practice of raising and expending revenue.

Foundation -A nongovernmental, nonprofit organization having a principle fund of its own, managed by its own trustees or directors, and established to maintain or aid social, educational, charitable, religious, or other activities serving the common welfare.

Fund raising -An activity sponsored by an authorized group where a sum of money or other resources is accumulated and set aside for the purpose of carrying on specific activities or attaining certain objectives.

High wealth district -A public school district in Illinois whose assessed valuation and expenditures per pupil is above the statewide average.

Investment-Disbursement of cash for the purpose of generating additional income.

Low income students-Pupils aged 5 to 17, from families receiving public aid, living in

institutions for neglected or delinquent children, being supported in foster homes with public funds or eligible to receive free or reduced price lunches.

Low wealth district -A public school district in Illinois whose assessed valuation and expenditures per pupil is below the statewide average.

Mini-grant-An award made to a teacher or staff member by the foundation. The amount is usually \$500 or less.

Philanthropy - An act or instance of deliberative generosity; a contribution made in a spirit of humanitarianism.

Private school -A school that does not have public support and that is not under public control.

Property tax -The amount of tax levied upon land or real estate in terms of a unit of the tax base.

Proposition 2 1/2 - A ballot initiative passed by the voters of Massachusetts which limits the amount of taxes that can be raised by local communities in the state.

Proposition 13 - A ballot initiative passed by the voters of California in 1978 which limits the use of the property tax for financial support of public agencies, and restricts the ability of local communities to raise monies for use by these public agencies through tax elections.

Public school -A school, usually of elementary or secondary grade, organized under a school district of a state, supported by tax revenues, administered by public officials, and open to all.

Section 501 (c)(3) -Part of the Internal Revenue Code which permits the granting of exemption status to corporations, community chests, funds, or foundations organized and operated exclusively for religious, charitable, scientific, or educational purposes under

certain stipulations.

Serrano-Priest - Two California Supreme Court decisions which directed the state legislature to insure that all public school districts are funded equally.

Subscription -A pledge to contribute money, property or other items of value without receiving anything in return.

Tax cap-A limit on governmental bodies to property tax increases in a given year.

Trust-An arrangement involving the transfer of property from one person to another who will manage it for the benefit of a third person.

Chapter II

THE REVIEW OF THE RELATED LITERATURE

Introduction

American society is definitely in a state of transition. American public education is facing greater demands for efficiency and improvement from many sources. Historically, when greater demands and requirements have been placed on public schools there have been accompanying increases in financial aid to the schools from federal, state, or local sources. Today cries for school reform and school improvement are not being accompanied by plans to finance reform programs or the additional dollars to make necessary improvements. The national agenda for school reform has been priced between twenty billion dollars and forty billion dollars.¹ In an era of fiscal restraint and deficit reduction few leaders at the national, state, or local levels are proposing anything more than modest increases in aid to public elementary and secondary schools. Many more leaders are calling for administrators and school board officials to accept the responsibility of protecting the public treasury and local property taxpayers by operating the public schools with greater efficiency. Many government leaders are also urging private corporations, wealthy individuals, and families with children in schools to assume a larger role in financing public schools.

The idea of private support for schools is not new. Philanthropy has played a very important role in the evolution of both public and private education in America. One of the major sources of this philanthropy for education has been through the charitable foundation.

The American charitable foundation had its direct roots in sixteenth century Europe. At that time charitable gifts could be made to a religious corporation known as frankalmoign. "The frankalmoign was a spiritual tenure whereby religious corporations, aggregate or sole, held lands of the donor to them and their successors forever."² At the start of the seventeenth century these foundations were given legal definition under English law by the Statute of Charitable Uses. This act has been recognized as the cornerstone of

¹ Thomas Mann, "Business Involvement and Public School Improvement," Phi Delta Kappan, October 1987, p. 22.

² Black's Law Dictionary, rev. 4th ed. (St. Paul Minnesota: West Publishing Co., 1968), p. 787.

Anglo-Saxon law concerning philanthropies.

The modern American charitable foundation has changed substantially from its continental European and English predecessors. It has evolved in this country into a variety of forms. The best known of the modern American foundations are the large general purpose endowed funds such as the Ford and Rockefeller foundations. These major foundations make grants of millions of dollars annually to fund educational research, the arts, and many other areas. A second type of American foundation has been the family foundation. These are organized in the same way as the large endowed funds. The difference is that these foundations are primarily instruments for channeling the annual giving of their founders during their lives, and of their families after the founder's death. These family foundations award grants that are much smaller than the large endowed funds. They also usually have a much narrower scope in the type of activities they support.

A third form of American foundation is one operated by a company. Many of these have been established by corporations and large businesses. The company foundation is a legal entity established to act as an intermediary between the donor and the charity. Quite often this type of foundation has a matching grant program for its employees. It allows the employees to have some control over the gifts while the corporation enjoys the tax benefits. A fourth type of foundation is the community foundation. The community foundation is an organization formed to create a centralized administration for separate charitable funds. The primary advantage of a community foundation is that it allows separate small charitable groups to pool their funds for investment, and spread the management costs among a number of organizations. There are hundreds of community foundations presently operating throughout the country. They are found both in large cities and small towns, but are most common in mid-size communities.

The fifth, and most common type of foundation found in this country is classified as a fund raising organization. This type of foundation has as its primary purpose the solicitation of public contributions to the foundation. The foundation then uses a board of directors to determine what worthy causes the foundation will support. Most fund raising foundations have a specific cause that they support. Nearly all of the educational foundations examined in this study fall into this category.

The Growth of Foundations

Philanthropy has become big business in the United States. According to the National Directory of Nonprofit Organizations "... there are over 167,000 nonprofit organizations in the United States with reported annual incomes of over \$100,000."³ The directory also reported that there were "... more than 106,000 nonprofit organizations in the United States with reported annual incomes of between \$25,000 and \$99,000."⁴

Donations to nonprofit organizations in 1992 amounted to 124.31 billion dollars.⁵ Nearly half of the donations went to religiously affiliated organizations. The remainder was divided among a myriad of causes. After religion, the next largest amount, \$14.02 billion, went to the nation's educational institutions. This \$14 billion was given to public and private elementary and secondary schools, colleges and universities, alumni associations, and other groups affiliated with schools. It consisted of 11.3% of all charitable giving during the year.⁶ This fourteen billion represented a 4.2% increase in dollars over 1991, and the 11.3 % share was the second highest percentage given to education since 1973.⁷ Giving to educational institutions has grown tremendously since the early days of the nation.

The history of charitable foundations assisting education in the United States had modest beginnings. One of the earliest recorded foundations was created by Benjamin Franklin in 1791. Franklin made a bequest of one thousand pounds each to the cities of Boston and Philadelphia. The funds were designated to help educate apprentices in a trade. The funds were loaned to the apprentices during their training and were paid back to the foundation with interest after the person had become a craftsman. These foundations enabled many young men to become skilled craftsmen. When the need for apprentice training ended, the funds held by the foundations reverted to the respective cities. A portion of the funds were used to help establish the Franklin Institute in Philadelphia and the Franklin Technical Institute in Boston. Both of these institutions prosper today, and are continuing to provide educational opportunities for their visitors.

One of the first American charitable foundations devoted specifically to education was

³ National Directory of Nonprofit Organizations (Rockville, Maryland: The Taft Group, 1991), vol. I, p. vii.

⁴ *Ibid.*, Vol. II, p. vii.

⁵ "AAFRC Trust for Philanthropy." cited in Education Week 9 June 1993, p. 3.

⁶ *Ibid.*

⁷ *Ibid.*

the Peabody Education Fund.⁸ With a contribution of two million dollars Mr. Peabody established in 1867 a fund designed to provide education for children of the southern states after the Civil War. Another of the early educational foundations was a company foundation. In the early 1880's a New England cotton mill established a foundation for the specific purpose of educating black children.⁹ In the final decades of the nineteenth century numerous family foundations and fund raising organizations were created to help provide funds for the education of immigrant, minority, and religious groups.

The creation of the large endowment funds with an interest in promoting education began with the establishment of the Carnegie Institute by Andrew Carnegie in 1905. With a donation of ten million dollars the Carnegie Foundation established a fund for the purpose of providing retirement pensions to college professors.¹⁰ The positive public reaction Carnegie received from the establishment of this fund led him to begin making huge donations to foundations he created for both educational and other purposes. Andrew Carnegie gave away about one-third of a billion dollars during his lifetime.¹¹ A substantial portion of this went to assist educational institutions.

The generosity of Andrew Carnegie provided a model for many other extremely wealthy individuals in the early part of the twentieth century. The Rockefeller Foundation established in 1913 and the Ford Foundation which was established in 1936 were two of the largest endowment fund foundations which are still in existence. The Rockefeller Foundation was established with over four hundred million dollars in assets. The Ford Foundation was created with over five hundred million dollars in assets. These are the two largest endowment foundations operating today that award a substantial number of grants to both public and private education.

Educational Foundations Nationally

The foundations serving individual public school districts throughout the United States are not nearly as large as the foundations described previously. As stated in the introduction, one of the first nonprofit educational foundations serving the public schools

⁸ Ernest V. Hollis, Philanthropic Foundations and Higher Education (New York: Columbia University Press, 1938), p. 22.

⁹ Ibid.

¹⁰ Howard J. Savage Fruit of an Impulse: Forty-Five Years of the Carnegie Foundation 1905- 1950 (New York: Harcourt, Brace and Company, 1953), p. 13.

¹¹ Ibid.

was started in Beverly Hills, California in 1978. Although there were similar public school foundations throughout the United States prior to the creation of the one in Beverly Hills, the significance of the creation of the Beverly Hills Foundation was that it had an immediate and significant impact on the educational resources of the district. It also became a model for the development of similar public school foundations both in California and in other parts of the country. The Beverly Hills Foundation received a great deal of positive publicity. Members of the foundation board were also very willing to share their ideas and strategies with other interested individuals both in California and in other parts of the United States. Research done as part of this study discovered that a number of the earliest foundations begun in Illinois received information and materials from the Beverly Hills Foundation, or other California foundations modeled after it.

"The Beverly Hills Foundation was started by a group of parents as a method of infusing privately raised funds into their financially pinched public schools."¹² The founders organized groups from each school in the district, and formed a board independent from the school district. This board had as its sole purpose the raising of funds for all of the schools in the district. The goal of the organization was to raise funds privately to help offset the dollars that had been lost to the district through the passage of Proposition 13. The foundation was created to be substantially different from other existing fund raising groups that were already operating in the district. The other established groups were each affiliated with a specific school and were in some way under the guidance or control of the board of education. The Beverly Hills Foundation was chartered to be independent of the school board. From the start, it not only undertook the task of raising revenue to benefit the entire district, it also worked very hard to get the entire community involved in supporting the schools.

In an article which appeared in the Los Angeles Times, Bernard Grenall, the president of the Beverly Hills Foundation, was quoted " . . . if there has been a failure in education in this state, it is because many districts don't enjoy the kind of local support and involvement of dedicated members of the community that they deserve."¹³ The Beverly Hills Foundation board went immediately to all segments of the community for financial assistance. Parent groups held a wide variety of benefits. Merchants and business

¹² David Andrews, "The Use of Foundations as Financial Support for Public Schools in California" (Ed.D. dissertation, University of Southern California, 1983), p. 45.

¹³ David Reyes, "Schools Rebuilding Fortunes on Tax Exempt Foundations," Los Angeles Times 18 April 1982, Part IX, p. 5.

owners provided prizes for raffles. Alumni of the school system, many of whom were famous Hollywood personalities, were invited to attend special events and participate in fund raising activities. The effort and commitment by members of the foundation board and numerous volunteers had a major impact.

The Beverly Hills Foundation had tremendous financial success. By 1982, its fourth year, the foundation was raising over \$200,000 annually.¹⁴ This accounted for nearly 14% of the annual operating budget of the district.¹⁵ While the majority of the money raised was used to fund programs that had been cut as a result of Proposition 13, a substantial amount was also offered to teachers in the form of mini-grants. These mini-grants were designed to encourage innovative new programs. During the 1982-1983 school year \$50,000 was awarded to teachers throughout the district in these grants.¹⁶ The Beverly Hills Foundation continued to grow and receive extensive national attention. In an article in the New York Times in October, 1991 it was reported that the Beverly Hills foundation was accounting for \$350,000 of the district's annual budget.¹⁷

The success of the Beverly Hills Foundation and the impact of Proposition 13 on every California district led to a large number of other California school districts starting local educational foundations. Most of these were started in major or midsize cities and the suburban areas of these communities. As in Beverly Hills, many of these other foundations had immediate success. They also became the focus of studies and widespread publicity. In a study completed by Allen and Hughes in 1982 it was reported that in the 1978-79 school year, sixty-six local educational foundations had raised \$480,000 in California.¹⁸ These same sixty-six foundations were surveyed in each subsequent year through 1981-82. The total raised increased by less than \$60,000 in 1979-1980.¹⁹ Real growth occurred during the 1980 and 1981 school years. In 1980-1981 these same sixty-six foundations raised over \$2,000,000. In 1981-1982 the total

¹⁴ Jerome Cramer, "Foundations Can Add Polish to Your Image and Cash to the Coffer," The American School Board Journal vol. 170, November 10, 1983 p. 40.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ William Celis, "Schools Go Outside Districts for Money," New York Times, 16 October 1991, Section B, p. 9.

¹⁸ Thomas Allen and Steven Hughes, "Fund Raising: How It's Working for California School Districts," Thrust 12 October 1982, p. 21.

¹⁹ Ibid.

income of these foundations had reached \$2,654,000.²⁰ Six of the districts including Beverly Hills had raised over \$100,000 in the final year of the study. An additional six districts had raised between \$50,000-\$100,000. The remaining fifty-four districts reported that they raised less than \$20,000 each.²¹

The greatest success story of a California foundation raising money during this time period was Piedmont. This affluent suburb across the bay from San Francisco had approximately 10,000 residents when its foundation began in 1976. At first the foundation funded small projects for school beautification or mini-grants to teachers in the amount of a few hundred dollars. When Proposition 13 passed, the focus of the foundation changed. According to Eve Bressler, the assistant superintendent of business at the time, "checkbooks all over the district flapped open."²² The foundation raised over \$300,00 for the district in 1980. The amount increased to \$412,000 the second year, and exceeded \$500,000 by the end of the 1982 school year. "This represented 8% of the system's entire budget."²³ "In 1982 the Piedmont Foundation rang up donations from 70% of parents and 26% of residents without children, or 39% of all school district residents."²⁴ The funds raised for the district, as in many other California communities, went primarily into instructional programs such as art and music which had been cut, or drastically reduced as a result of Proposition 13. A number of other California foundations adopted the policy that the money raised was given directly to the school district. The Palos Verdes Peninsula Education Fund gave all funds directly to the school district. The only stipulation was that funds could not be used to pay salaries or benefits of current employees.²⁵ This foundation wished that its revenue be used to restore programs that had been cut.

In 1982 all California school districts were surveyed by Peat, Marwick, Mitchell and Company, a management consultant firm to determine the extent of nonprofit foundations in the state. Findings from the survey revealed " . . . that 61% of the districts which

²⁰ Ibid.

²¹ Ibid.

²² Jerome Cramer, American School Board Journal p. 36.

²³ Ibid.

²⁴ Ibid.

²⁵ "Private Sector Funding-Handle With Care," Updating School Board Policies, vol. 14, October 1983. p. 2.

responded either had a foundation underway, or were planning to start one.”²⁶ The survey also showed that districts with foundations were significantly more successful in raising funds than districts without foundations. The Peat, Marwick survey found “The average dollar amount raised in 1981-82 by the communities without foundations was only \$7,540; the figure for those with foundations was \$60,952.”²⁷

The California districts with educational foundations formed a consortium in the early 1980's. The purpose of this consortium was to share information and ideas among local educational foundations in California. In 1986 this consortium reported that the number of foundations had stabilized at about 130.²⁸ A survey conducted by Teacher magazine in 1990 examined a number of local educational foundations from throughout the country. The study indicated that the two largest foundations in California were in San Francisco and Los Angeles. The San Francisco Education Fund had an annual budget in excess of 1.5 million dollars. It also showed that the Los Angeles Education Partnership had an annual budget of \$2,200,000.²⁹

The Teacher survey showed that the Los Angeles Foundation had the largest annual budget of any local educational foundation in the country and that San Francisco ranked fourth with a budget only slightly less than those of foundations in New York and Boston.³⁰ The survey also showed that nonprofit educational foundations were serving public schools in nearly all parts of the country. The article profiled foundations in 26 states as well as the District of Columbia and Puerto Rico. The largest number were found in California with the second greatest concentration in Massachusetts. This was not surprising. Like California, Massachusetts passed a referendum in 1980 known as Proposition 2 1/2. The purpose of this referendum was both to reduce taxes and to control the growth of government. The legislation limited property tax rates to a 2 1/2% annual growth rate. This caused many school districts throughout the state to experience severe budgetary restrictions. The idea of creating nonprofit educational foundations

²⁶ George Neill, “The Local Education Foundation,” NASSP Special Report May, 1983. p.1.

²⁷ Ibid.

²⁸ Percy E. Burrup, Financing Education in a Climate of Change (Boston, Mass: Allyn and Bacon, 1988), p. 122.

²⁹ Public Education Fund Network Annual Budgets 1989-90. cited in Teacher October 1990. p. 35

³⁰ Ibid.

appealed to many individuals connected with schools in Massachusetts.

Foundations were quickly established throughout the state. The greatest concentration was in the Boston metropolitan area. The Teacher survey stated that the Boston foundation had an annual budget of over \$1,500,000.³¹ Other successful foundations were started in Worcester, Cambridge, Lynn, Lowell and a number of other communities throughout the state. These early successful efforts had served as a model for other Massachusetts communities in the same way that Beverly Hills had in California. One significant difference between the Massachusetts and California foundations was that in Massachusetts a number of school districts worked with other governmental agencies impacted by Proposition 2 1/2 to form community foundations. These community foundations were designed to benefit other governmental agencies serving the community in addition to the public schools.³²

As in California, the greatest financial success stories were primarily found in affluent communities. In an article written about the growth of educational foundations in Massachusetts Doreen Ludica found that "the sixteen foundations in the suburbs west of Boston are among the most successful in the state."³³ In another article Anne Driscoll reported that "communities north of Boston had raised millions of dollars after the passage of Proposition 2 1/2 to enhance education in ways that local budgets could no longer afford."³⁴ The phenomenon of creating nonprofit foundations spread throughout Massachusetts. In a survey conducted by the Boston Globe of educational foundations serving public school districts it was found that over one hundred foundations had been organized by the middle of 1991.³⁵

The total number of local educational foundations serving public elementary and secondary districts across the nation is not known. The number appears to be growing rapidly. A primary source of information regarding the growth pattern and number of foundations has been obtained from dissertations and reports which have examined the

³¹ Ibid.

³² Alexander Reid "Community Foundations Target Local Needs" Boston Globe 1 April 1990, Section A, p. 7.

³³ Doreen Ludica "Schools Find New Funds" Boston Globe 13 October 1991, Section WW, p. 1.

³⁴ Anne Driscoll "Private Groups Springing Up to Cash-Poor Public Schools" Boston Globe 9 June 1991, Section N, p. 1

³⁵ Peggy Hernandez "Role of School Foundations Questioned" Boston Globe 10 November 1991, p. 38.

growth of these organizations in various parts of the country. The earliest information was found in a dissertation done by David Andrews at the University of Southern California in 1983. The Andrews study traced the initial growth of foundations in California. It also was designed to give districts in California information necessary to start nonprofit foundations.

Another early examination of California foundations was done by Judith Shoemaker. She presented her findings at the Annual Meeting of the California Educational Research Association in November, 1983. Her study focused on how the foundations distributed the funds they raised. Her research concluded that there were three ways in which the monies were distributed. The first was that the funds were given directly to the school boards. The school board had the total decision on how the funds were to be used. The second was that the foundation board totally controlled the distribution of funds. Much of the money was dispersed through mini-grants usually in amounts less than \$3,000 that went directly to teachers. The final way was that the foundation board, and the board of education worked together to develop jointly funded projects.³⁶

A study which received a great deal of national publicity and served as the basis of articles which appeared in the NASSP Bulletin and other journals was done by William Nesbit in 1985. The author surveyed thirty-two educational foundations throughout the United States. He concluded that there were some common characteristics of foundations that considered themselves to be successful. The primary ones were: that these foundations supported the entire school district, that most successful foundations began because the districts were able to convince the public that they were in need of funds, that most successful foundations allocated funds directly to teachers for use in their classrooms, that there were certain identifiable characteristics of successful foundation board members, that most successful foundations had been organized in a way that separated the foundation from the school district, but allowed each group to have a good working relationship, and finally, that in addition to the financial benefits, the creation of the local educational foundation did a great deal to improve the image of the school district in

³⁶ Judith Shoemaker, Emerging Role of Educational Foundations in Financing Education paper presented at Annual Meeting of the California Educational Research Association in Los Angeles, California November 17, 1985.

the community.³⁷

Other dissertations and reports were examined which discussed the impact of foundations. A notable one was a report done in California by Sara Lake for the San Mateo County Office of Education in 1985. In it she cited the opportunity that foundations presented for building partnerships between the school district and the business community. Lake felt local educational foundations could not only present a tax incentive for business donations, but could also do much to dissipate the mistrust that existed between local businesses and the community school district.³⁸

Gwen Worthington, in a dissertation completed at the University of Arizona in 1985, studied the willingness of individuals to contribute to public school foundations. The study focused on individuals and their propensity to donate to a foundation assisting the public schools in their community. The study found that 83% of the respondents would conditionally donate money to public elementary and secondary schools through a foundation.³⁹ The study attempted to analyze what motivated individuals to contribute. Although there were numerous reasons given, the perception of promoting quality education was the primary one.⁴⁰ Other studies in California such as those done by Mark⁴¹ and Adams⁴² examined the impact that the creation of nonprofit foundations had on the issue of fiscal equity. The Mark study found that school district budgets were not significantly impacted by the raising of supplemental funds.⁴³ The Adams study examined 117 local educational foundations in California. It found that the addition of foundation funds were somewhat significant when added to the districts base revenue

³⁷ William Nesbit, "A Study to Identify the Characteristics of Successful Education Foundations Which Serve Public Schools in America" (Ph.D.dissertation, University of South Carolina, 1985)

³⁸ Sara Lake, Private Financial Support for Public Education, K-12 An Administrative Report, San Mateo County Office of Education, Redwood City, California November 1985.

³⁹ Gwen Worthington "Philanthropy as a Voice Mechanism: A Study of the Efficacy of Public School Foundations" (Ed.D. dissertation, University of Arizona, 1985), p.28.

⁴⁰ Ibid.

⁴¹ Patricia Mark "Supplemental Methods of Funding Public School Districts in California" (Ed..D. dissertation , University of Southern California, 1986)

⁴² Judith Adams "The Effect of Local Education Foundations Upon Fiscal and Program Equity in Selected Districts in the State of California" (Ed.D.dissertation, University of Colorado at Denver, 1991)

⁴³ (Mark, 1986)

limit.⁴⁴ Adams also found that in only three of the districts examined did the amount of money raised by the foundation cause the district to exceed the \$100 difference in expenditure limit decreed by the California Supreme Court as a result of the Serrano-Priest decisions.⁴⁵ The Adams study also concluded that the most successful foundations in terms of the amount of dollars raised in proportion to the entire district budget were found in small affluent communities usually located near major metropolitan areas.⁴⁶

A study done in 1988 by Jacqueline Mitchell examined one hundred six K-12 foundations in California. Her research focused on wealth measures of families residing in these districts, as well as the ethnicity of the students, and their scores on the California Assessment Program. She found that there was a significant relationship between the wealth of families in the district and the amount of money raised by the foundation.⁴⁷ Her study also found that higher test scores and a lower percentage of minority students were common characteristics of the districts with successful foundations as measured by the amount of money raised for the district. Ms. Mitchell concluded that nonprofit local educational foundations provided a mechanism to gain additional wealth for districts that already served students from wealthy families. Foundations in California, she concluded, were contributing to discrimination along both the lines of ethnicity and socioeconomic status.⁴⁸

Examinations of local educational foundations outside of California were not as numerous. In addition to the Nesbit study previously cited, the review of Dissertation Abstracts and other sources offered only a few studies that had been conducted concerning public elementary and secondary school foundations. One of the first was done by Sharon Lease. She studied foundations in Oklahoma. Her research indicated that foundations were operating in all parts of the state. The study also examined the impact of the fund raising done by the foundation on the fund raising groups which previously had been organized in the district. She concluded that the fund raising activities of the foundation had not adversely affected the fund raising efforts of other

⁴⁴ (Adams, 1991)

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ Jacqueline Mitchell "Equal Educational Opportunity: The Impact of Educational Foundations" (Ph.D.dissertation, Claremont Graduate School, 1988)

⁴⁸ Ibid.

organizations in the district.⁴⁹

Catherine Osburn conducted a study of thirty-eight educational foundations serving public school districts in Ohio. Her findings showed that in addition to the money raised, the improved school-community relationships were considered a very important function of the organization.⁵⁰ Another study that was examined also involved foundations in Ohio. Janet Monroe did an in-depth case study of three foundations. One represented a large urban area, the second a suburban area and the third a small rural community. Her findings indicated that nonprofit educational foundations could flourish in diverse types of communities. The research also showed that commonalities existed among all three foundations. Her research concluded that these common factors: strong leadership, active involvement of foundation board members, and strong community involvement were essential in the creation and operation of successful educational foundations.⁵¹

The final study that provided a basis for the research done in this paper was a monograph written by Clay, Hughes, Seeley, and Thayer for the Educational Research Service in Arlington, Virginia. Their research, done in the early 1980's, focused on a number of educational foundations established in various parts of the country. The focus of this study was on the economic status of the residents of the communities served by school districts with educational foundations. Their research discovered that more foundations were serving rich communities than poor communities " . . . thus widening the gap between wealthy and poor districts."⁵²

Foundations in Illinois

The creation of local educational foundations occurred more slowly in Illinois than in California, Massachusetts, or a number of other states. In reviewing the literature the earliest evidence of a local foundation serving a public elementary or secondary school district in the state was at Thornton Fractional Township High School District 215. The

⁴⁹ Sharon Lease "A Study to Investigate the Nature of Selected Educational Foundations in Oklahoma School Districts" (Ed.D. dissertation, The University of Oklahoma, 1988)

⁵⁰ Catherine Osburn "The Use of Educational Foundations in the Public Schools of Ohio" (Ed. D. dissertation, The University of Akron, 1989)

⁵¹ Janet Monroe "A Comparative Study of Three Ohio School District Foundations" (Ed.D. dissertation, The University of Akron, 1991)

⁵² Katherine Clay, Scott Hughes, James Seeley, and Arthur N. Thayer, Public School Foundations: Their Organization and Operation (Arlington, Virginia: Educational Research Service, Inc., 1985), p. 4.

foundation "was formed in 1954 and collects an average of \$6,000 a year."⁵³

The first publicized research on foundations in the state appears to have been done by the Illinois School Board Journal in 1983. The only Illinois public school foundation discovered through the Journal's limited research was in Springfield, ". . .where a fledgling foundation raised \$30,000 in its first active year, 1982-1983."⁵⁴ The Springfield Foundation targeted four areas for funding. These were libraries, technology, and two special programs designed to assist both gifted and disadvantaged students.⁵⁵

A few other districts surveyed by the Journal in 1983 had organizations similar to local educational foundations in place. In Macon county, Howard Brown, the regional superintendent of schools had worked with businesses and industries in the county to form the Partners in Education Corporation.⁵⁶ The primary purpose of this organization was to get the businesses to fund special programs in the schools. The Chicago Board of Education began an adopt-a-school program in 1981. This program had an immediate impact with nearly seventy-five businesses and corporations funding programs at individual schools throughout the city.⁵⁷ In both Charleston and Mundelein committees had been formed to promote a tax referendum and to study a school consolidation proposal. In each case the committees raised more money than they needed to support the passage of the referendum. In both cases the additional monies raised were used in the same manner as funds distributed by local educational foundations. In Charleston "the money was used to fund small grants awarded on the basis of proposals from teachers."⁵⁸ In Mundelein the committee easily raised the funds for the consolidation study. Rather than disbanding, the committee turned its attention toward raising additional funds for the schools. According to Judy Fornero the chairperson "the committee is gearing up to raise \$1,000 a month to help support such programs as industrial arts and home

⁵³ C.D. Matthews "Schools Tapping New Resources for Funds," Southtown Economist 11 March 1990, p. 26.

⁵⁴ "Illinois Districts Scramble to Raise Private Money" Illinois School Board Journal (July-August 1983): Volume 51, Number 4, p. 25.

⁵⁵ Ibid.

⁵⁶ Ibid. p. 26.

⁵⁷ "Valuable Partnerships Develop When Businesses Adopt Schools" Illinois School Board Journal (September-October 1982): p. 14.

⁵⁸ "Illinois Districts Scramble to Raise Private Money" Illinois School Board Journal (July-August 1983): p. 27.

economics.”⁵⁹

The number of local educational foundations in Illinois grew slowly during the middle and late 1980's. In a Chicago Tribune article in September of 1988 education writer Casey Banas stated, “Nonprofit educational foundations are still a new concept in Illinois, with fewer than 20 school districts either benefiting from them or organizing them.”⁶⁰ In 1990, the editors of the Illinois School Board Journal conducted another survey of districts with local educational foundations serving them. The results were that “journal editors recently identified foundations in at least two dozen Illinois school districts.”⁶¹ In another article which appeared in the Chicago Tribune in early 1992 Glen Girard, vice-president of Educational Foundation Consultants was quoted as saying “In all, there are about 2,500 to 3,000 such foundations throughout the country, with about four dozen in Illinois.”⁶²

Organizational Design and Leadership

Two characteristics of successful educational foundations which were cited in numerous dissertations, reports, and other studies were the ways in which the foundation was organized and the nature of the leadership that the foundation had. A review of the literature on the nature of formal organizations, organizational behavior, and the concepts of leadership, provided a frame of reference for the examination of the educational foundations detailed in the case studies.

Studies on the nature of organizations and organizational behavior provided understanding and insight of how newly formed formal organizations operate in both the profit and nonprofit sectors of our society. Individuals who work in schools often like to think that educational organizations are completely unique and unlike any others. Researchers and consultants interested in changing organizations have viewed educational organizations as bureaucratic systems which are not unlike similar organizations found in the for profit sector of American society.

Organizations are systems of interdependent human beings. Organizations have

⁵⁹ Ibid. p. 28.

⁶⁰ Casey Banas “Foundations Help Put Icing on Schools’ Cake” Chicago Tribune 14 September 1988, Section 2C, p. 3.

⁶¹ “Take a Look at Some Illinois School Foundations” Illinois School Board Journal September-October 1990 p. 18.

⁶² Edmund Tijerina “Fund Gives Education Needed Lift” Chicago Tribune 6 January 1992, Section 2C, p. 5.

existed informally for as long as members of the species have worked together cooperatively. Paul Lawrence and Jay Lorsch are among many authors who have made reference to a story frequently used to describe the beginning of human organization. In a primitive society a man wanted to move a stone that was too heavy for him. The man arranged to obtain the services of a second and third man by offering them some type of reward. When one man pulled while the other two pushed we saw the beginning of the concept of the division of labor. When the first man signaled for a heave at the appropriate moment, we had the start of a primitive chain of command developed to integrate the parts of a system.⁶³

In reviewing the literature on the development of organizations there is no date that can be pinpointed as the starting point when serious thinking about organizational structure or organizational operation began. Considerable writing was done about the commercial organizations of the Egyptians, Hebrews, Greeks, and Romans. Socrates, in particular, wrote much about organizations and leadership. In Classics of Organization Theory, Shafritz and Ott cited the concern of Socrates with the concept of management. "Socrates lists and discusses the duties of all good presidents- of public and private institutions- and emphasizes the similarities. This is the first known statement that organizations as entities are basically alike."⁶⁴ Socrates believed that a manager of one type of organization could work equally well as the leader of any type of organization. Other Greeks, in addition to Socrates, wrote about organizations. In 370 B.C. Xenophon wrote the first known description of the advantages of dividing the tasks of labor when he described the operation of a shoe factory.⁶⁵

The period from the end of the Roman Empire through the Middle Ages saw some additional writings about the nature of organizations.⁶⁶ In the sixteenth century the study of organizations became the focus of a prominent writer. The works of Machiavelli not only contain numerous references to organizations, but give advice to leaders as to how

⁶³ Paul R. Lawrence and Jay W Lorsch, Organization and Environment (Homewood, Illinois: Richard D. Irwin Inc., 1969), p. 163.

⁶⁴ J. Steven Ott and Jay M. Shafritz, Classics of Organization Theory (Chicago: The Dorsey Press, 1987), p. 19.

⁶⁵ Ibid. p. 10.

⁶⁶ Ibid.

to organize, and what leadership techniques to use.⁶⁷

By the end of the eighteenth century societies in Europe had begun to become quite complex. Cottage industries had been replaced by large factory systems. With the growth of these large organizations the study of formal organizations became frequent enough to classify it as a specialized field of study.

The period from the end of the eighteenth century through the first third of the twentieth century has been referred to as the classical or traditional period. The traditional theory of the nature of formal organizations is found in the works of many writers. One of the most prominent was Adam Smith. In The Wealth of Nations he portrayed the ideal organization by describing a pin factory where each person had a very specific role, and there was a definite hierarchy of responsibility.⁶⁸ During the classical period the emphasis of research was on the productivity and efficiency of the worker. Very little consideration was given to the needs of the worker. One exception to this was found in the work of Robert Owen. He was one of the first writers to consider the concept that managers needed to pay as much attention to their workers as they did to the machines and goods they produced.⁶⁹

The early twentieth century saw research of organizations turn to the use of scientific principles. Three important scholars to do this were Frederick Taylor, Henri Fayol, and Max Weber. These men focused their research on applying scientific principles to the study of the structure of organizations as well as to the actions of administrators and workers. Each of these individuals focused on a particular area they felt was crucial to the success of the organization. All three concluded that the principles of scientific management could be applied with equal success to organizations in both the public and private sectors of society.

The central problem that any organization faced according to these researchers and others who applied scientific principles in their studies was in the efficiency of the structure. The "ideal type" organization, as Max Weber called it, was one where there was a careful definition of tasks and the creation of many specialized jobs. It was equally important to scientific researchers that these specialized jobs be coordinated properly

⁶⁷ Nicholas Machiavelli, The Prince (Baltimore, Maryland: Penguin Books, 1961), p. 163. (originally printed in 1514)

⁶⁸ Paul R. Lawrence and Jay W. Lorsch, Organization and Environment p. 10.

⁶⁹ Ibid. p. 11.

through a hierarchy of administrative units.

Although scientific or classic models of organizations are still being used as a frame of reference to study the formation of organizations today, they have generally been replaced in popularity by a newer model that became known as the participative theory of organizations. This theory went beyond the study of an organization as primarily an agency of production. Scientific and classical organizational theory focused on the study of organizations as entities designed to produce a product and generate a profit. Participative organizational theory was broader in nature. It examined organizations as living entities. A researcher studying an organization using the scientific theory might look at the product or the profit of the organization, but was likely to look at this only in the context of a group of individuals working together successfully to meet goals.

The participative model evolved from the work of behavioral scientists. It was concerned not only with the structure of the organization, but also with the stages of development of the organization. The participative model also focused on the role of each individual within the organization. To the participative theorist every organization must go through a dynamic development process. As part of this process each individual must also be engaged in a multidimensional process of development. According to proponents of the participative theory the overall objective of the successful organization was to achieve a satisfactory integration between the needs of the organization and the needs and desires of the individuals who compose the organization.

The roots of the participative model were found in the study of human relations within organizations. Elton Mayo is considered to be the founding father of this movement. In 1933 Mayo published The Human Problems of an Industrial Civilization. This work detailed extensive research that Mayo and others had done at the Hawthorne Works of the Western Electric Company in Chicago. Although Mayo's research teams examined many aspects of production one of their most consistent findings was that communication between workers and supervisors, and among workers themselves was essential to improved performance. For Mayo, the Hawthorne research and other studies in which he was involved convinced him that the human factor was extremely important in work situations. This human factor also became known as the "Hawthorne effect." It established that people would work hard and put up with a number of difficulties if they felt the objective was worth doing, and that their input into the decision making process was appreciated.

Two other researchers who expanded the focus of the human aspect in successful organizations were Rensis Likert and Douglas McGregor. Both of these men spent much of their adult lives examining the roles of individuals in organizations. Much of their findings showed that the groups within organizations which have had the best record of performance were those where leaders focused on the human aspects of their subordinates, and built effective work groups that had high achievement goals.

Both Likert and McGregor found certain characteristics to be common among successful leaders. The first was that the successful leader was person centered, rather than product centered. Both of these researchers examined the actions of the individual more closely than the nature of the task being performed. Also, both McGregor and Likert were more interested in studying the targets or goals that the group or organization set than concentrating on the methods that were being used.

Douglas McGregor challenged the traditional role of leadership in organizations. He focused on the assumptions made in the works of both classical and scientific researchers that workers were unable, or unwilling to make decisions.⁷⁰ He suggested that management in any organization carefully examine the assumptions it made about human beings. McGregor believed that by studying the beliefs and actions of individuals who hold managerial positions, researchers could learn a great deal about the nature and the success of the organization.⁷¹

McGregor believed that individuals trained in the leadership strategies of the classical and scientific theorists were likely to develop organizations that were built on mistrust rather than trust. He classified this style of leadership as Theory X.⁷²

In examining leadership styles that had a positive effect on subordinates, and helped organizations flourish, McGregor discovered that many assumptions about the nature of the worker were in direct contrast to the assumptions of the classical and scientific research. McGregor labeled this opposite theory on the nature of the individuals within an organization as Theory Y.⁷³ McGregor described a Theory Y leader as a person who envisioned every member of the organization as an individual who, with proper assistance, would seek responsibility rather than avoid it, and who would see the goals

⁷⁰ Douglas McGregor, The Human Side of Enterprise (New York: McGraw-Hill, 1960), p. 3.

⁷¹ Ibid.

⁷² Ibid. p. 35.

⁷³ Ibid. p. 46.

of the organization to be basically the same as their individual goals.⁷⁴ McGregor concluded that “. . . the intellectual and creative potential of all human beings is underestimated.”⁷⁵ McGregor believed that “the essential task of management is to arrange organizational conditions so that people can achieve their own goals best by directing their efforts toward organizational rewards.”⁷⁶

Rensis Likert was a social psychologist whose research explored various aspects of human behavior and leadership in organizations. Many of his findings were very similar to those of Douglas McGregor. His research established that the best leaders were individuals who allowed members of the organization maximum participation in the decision making process. Likert used the research of Frederick Taylor and others as the basis of classifying types of management. Likert distinguished four systems of management. These ranged from System I which was an exploitive authoritative type relying on fear and threats to System IV which was characterized by participative group management.⁷⁷

This participative group leader worked to develop an organization that was based on group loyalty. The participative leader was willing to set higher goals for the organization than other types of leaders. The ultimate result of System IV management techniques when used properly, were individuals who were very highly motivated to produce and who took great satisfaction from the job they performed.⁷⁸ Likert also believed that the successful leader worked to develop strong communication links within the organization as well as with other organizations connected to it.

Likert believed that this was one of the most effective skills of a modern leader. Likert coined a phrase to describe this aspect of leadership. He referred to individuals who assumed this position as “linking pins.”⁷⁹ Likert believed that leadership skills required individuals to be able to successfully keep open communication channels with both members of their organization and other organizations with which they were linked in order to remain successful.

⁷⁴ Ibid.

⁷⁵ Ibid. p. 48.

⁷⁶ Ibid. p. 61.

⁷⁷ Rensis Likert, The Human Organization (New York: McGraw-Hill Inc., 1967), p. 76.

⁷⁸ Ibid.

⁷⁹ Rensis Likert, New Patterns of Management (New York: McGraw-Hill Inc., 1961), p. 24.

Participative theorists focused on human resources and the management of these human resources. Their primary emphasis was on people because it was people who create and maintain organizations. "Also, it is people who design, accept, and implement changes that are required to keep organizations in a healthy state."⁸⁰

A review of the literature on leadership styles revealed that there were a number of styles that were being used successfully in both profit and nonprofit organizations. The common factor was effective leadership. "The successful organization has one major attribute that sets it apart from unsuccessful organizations: dynamic and effective leadership."⁸¹ Although there are many valid definitions of leadership the one that proved most effective for this study was the one developed by Paul Hersey and Ken Blanchard. "Leadership is the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation."⁸² The key part of this definition is the phrase "in a given situation."

Research on leadership over the past several decades "has clearly supported the contention that there is no best style of leadership."⁸³ Hersey and Blanchard developed a theory that effective leaders were individuals who had the ability to adapt their styles of leadership to quickly changing situations. This leadership style has been best described as the Situational Leadership Model. It is explained as follows:

The more managers adapt their style of leader behavior to meet the particular situation and the needs of their followers, the more effective they will tend to be in reaching personal and organizational goals.⁸⁴

The Situational Leadership Model developed by Hersey and Blanchard relied heavily upon previous research done by McGregor and Likert. What distinguished it from other theories was the extra dimension that was added. The work of McGregor, Likert, and others focused on the attitude and feelings of the effective leader. The work of Hersey

⁸⁰ Chris Argyris, Management and Organizational Development: The Path from XA to YB (New York: McGraw-Hill Inc., 1971), p. XI.

⁸¹ Paul Hersey and Kenneth Blanchard, Management of Organizational Behavior: Utilizing Human Resources (Englewood Cliffs, New Jersey: Prentice Hall, 1982), p. 82.

⁸² Ibid. p. 83.

⁸³ Paul Hersey, Kenneth Blanchard, and Ronald Hambleton, Perspectives in Leader Effectiveness (Center for Leadership Studies Ohio University, Ohio University Press, 1980), p. 99.

⁸⁴ Paul Hersey, Management Concepts and Behavior: Programmed Instruction for Managers (Little Rock, Arkansas: Marvern Publishing Company, 1967), p. 15.

and Blanchard included those attributes but added a third dimension. That dimension was observed behavior. The Hersey-Blanchard model was based on the idea that it was much easier to analyze leadership values and attitudes from behavior rather than trying to predict behavior from studying a leader's values and attitudes.

The work of Hersey and Blanchard emphasized that effective leadership was based on a number of factors.

Situational Leadership is based on an interplay among
 (1) the amount of guidance and direction a leader gives;
 (2) the amount of socioemotional support a leader provides;
 and (3) the readiness level that followers exhibit in performing
 a specific task, function or objective.⁸⁵

The research of Hersey and Blanchard concluded that there was no single best way for a leader to influence people. The effective leadership style to be used depends on the nature of the situation and the maturity level of the followers toward the given task or objective. The appropriate style could range from a high task-low relationship selling of an idea to a low task-low relationship delegating style which provides little direction or support. The key to successful leadership as stated by Hersey and Blanchard was to be able to assess the needs of the organization and the maturity level of the followers as the situation prescribes. The leader must employ a style appropriate for each situation.

The effective leader using the Situational Model is a person who is always striving to help followers grow in their level of maturity as far as they are willing, and able to go. This theory of leadership was very appropriate for analyzing the effectiveness of leadership in the development of nonprofit educational foundations to assist school districts in Illinois. It provided an effective frame of reference to analyze organizations with common needs in diverse geographic and economic situations. Using the Situational Leadership Model allowed the researcher to analyze the behaviors of a number of leaders in various environments. It enabled the researcher to analyze how the leadership style of individuals underwent change as each of the foundations detailed in the case studies went through the organizational lifecycle from the courtship stage when the organization was just an idea being discussed, to the mature stable stage, when the organization had become established as an influential organization in both the school district and community.

⁸⁵ Hersey and Blanchard, Management of Organizational Behavior, p. 150.

Chapter III

METHODOLOGY

Introduction

The evidence for this study came from many sources. Documents from the Illinois State Board of Education were examined to obtain information on the districts which are being assisted by educational foundations. Statistics from the Taxpayers' Federation of Illinois which categorized data from the State Board of Education were analyzed to ascertain information on the number of low income students in these school districts. This information was also used to determine the per pupil expenditures made by each district.

Data were also obtained from surveys and questionnaires. A survey was sent to all districts in Illinois. This was designed to determine the number of active and inactive foundations in Illinois. It also obtained information on school districts considering foundations, and those which had considered the creation of a foundation, but had decided against it. A number of other questionnaires were then used to obtain information on both active and inactive foundations.

Interviews and observations were also used extensively by the researcher. Structured and informal interviews were conducted with individuals in Illinois and other states where nonprofit foundations are assisting public school districts. These interviews provided a rich source of data which became the basis of the case studies detailed in Chapter V.

Background

Numerous studies have been conducted concerning the approaches used by institutions to raise funds. Many of these studies have focused on the areas of motivational attitudes and marketing strategies. Most research connected with educational fund raising has concentrated on colleges and universities as well as some studies of private secondary and elementary schools. Very little research has been done on organizations devoted to raising funds for public elementary and secondary schools.

Public education in America has had a long history of voluntary support. Parent-teacher organizations, band boosters, athletic boosters, and many other fund raising groups have been affiliated with public schools for decades. It has only been in the past

ten years, however, that there has been a movement by public school districts in the United States to solicit philanthropic funds through the creation of nonprofit foundations. As documented previously, it has been estimated that by the early 1990's there were about 3,000 local educational foundations assisting public school districts in the United States. Many public school districts are finding that tax revenues are not sufficient to provide all the resources they desire for the children in their schools. For this reason, many districts have created nonprofit foundations to raise funds for their schools. In addition, many other districts are considering the formation of foundations to provide extras that current revenues have been unable to provide.

Purpose

The purpose of this study was two-fold. The first goal was to determine the number of nonprofit educational foundations serving public school districts in Illinois and gather various data about the operational characteristics of these organizations. The second purpose was to examine in detail a number of successful foundations in Illinois. Particular attention was focused on their organizational structure, and the relationships which existed between the foundation and other established organizations in the district. This part of the study also carefully examined the leaders and their leadership styles.

Critics of school financing have argued that the present reliance on local property taxes for school funding both in Illinois and across the nation is inequitable and unjust. They also cite both lowered test scores and voter dissatisfaction as evidence that American public schools are in a state of decline. A number of critics have also claimed that the creation of nonprofit foundations by wealthy school districts in California, Massachusetts and other locations has become a device to further widen the gap between rich and poor school districts. In designing this study the researcher had specific questions to be answered in this regard. A primary goal of the study was to determine if this criticism of educational foundations was justified in Illinois.

Research Design

Evidence for the study came from both quantitative and qualitative sources. The majority of the quantitative data were generated from a series of researcher prepared surveys designed to determine both the number of, and the activities of educational foundations in Illinois. The qualitative data came through multiple sources associated with

case study research.

The design of the research was primarily that of a descriptive qualitative case study. This design was chosen to enable the researcher to get as close to the subject of interest as possible. The descriptive and evaluative aspects of each case study were determined from the statement of the problem. Evaluative criteria were also ascertained from the research questions raised through the review of the literature and from an examination of foundations in Illinois that have not proven to be successful.

The qualitative descriptive case study design was chosen because of its strengths. It allowed the researcher to examine programs and practices in order to gain a better understanding which in turn can affect and perhaps even improve practices in the future. The design for this study relied very heavily on field research. The research was conducted over a period long enough to give the researcher time to cross check data and learn about the nature of each organization from multiple perspectives. Extensive field research enabled the researcher to make a comparison of the theory espoused in documents provided by the foundation with the actual practices of the foundation as observed through meetings and events they sponsored.

The data collected included multiple and variable lines of evidence. Interviews with different members in various levels of the organizational hierarchy were conducted. A multiple case report design was chosen to create a data base which could be used for future theory building in creating successful educational foundations for public school districts.

Case Study Approach

A qualitative case study approach was selected as the primary research technique used in this study. The use of the case study is a preferred strategy “. . . when how or why questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real life context.”¹ It is also the preferred approach when the researcher wishes to communicate and describe a unique situation or event in great depth. Patton describes the case study approach as the most reliable means when the researcher “seeks to describe that unit in depth and

¹ Robert K. Yin, Case Study Research Design and Methods (Newberry Park, California: Sage Publications 1984), p. 13.

detail, in context, and holistically.”²

The case study deals with the interpretation of the context. In this way it differs from the focus of survey or experimental research.

Case studies are particularistic in that they focus on a specific situation or phenomenon; they are descriptive, and they are heuristic—that is, they offer insights into the phenomenon under study. Philosophical assumptions underlying the case study draw from the qualitative rather than the quantitative research paradigm. Qualitative inquiry is inductive—focusing on process, understanding, and interpretation—rather than deductive and experimental.³

Case studies are useful in presenting basic information about areas where little research has been conducted. Merriam states “that case studies are often used to form data bases that may be used for future comparison and theory building.”⁴

Qualitative case studies contain four essential characteristics. First, they are particularistic. The case itself is important for what it reveals about the phenomenon, and for what it might represent. Qualitative case studies concentrate on the way specific groups of people, in specific situations, confront problems and deal with challenges unique to their situation.

Qualitative case studies are also descriptive. The goal of a qualitative case study is to create an end product that is a rich, thick description of the phenomenon under study. The qualitative case study is designed to include as many variables as possible. It is also designed to show the interaction of these variables over a period of time.

Qualitative case studies are heuristic. The study is designed to illuminate the reader’s understanding of the phenomenon under study. It can be designed to discover new meaning or confirm what has already been discovered. Qualitative case studies are also inductive. They rely on inductive reasoning. Generalizations, concepts, or hypotheses emerge from the data gathered. “Discovery of new relationships, concepts, and understanding, rather than verification of predetermined hypotheses, characterizes qualitative case studies.”⁵

A comparative or multi-case study approach was chosen by the researcher as the

² Michael Quinn Patton, Qualitative Evaluation and Research Methods (Newberry Park, California: Sage Publications 1990), p. 54.

³ Sharron B. Merriam, Case Study Research in Education (San Francisco, California: Jossey-Bass, 1988), p. 21.

⁴ Ibid. p. 27.

⁵ Ibid. p. 13.

best means of understanding and explaining the phenomenon of the rapid creation of nonprofit educational foundations to assist public school districts in Illinois. The qualitative case study approach offers to the reader what to do, or what not to do in a similar situation. The qualitative case study also provided the researcher flexibility. It provided the opportunity to examine a specific instance, while illuminating a general condition. It also gave the researcher the opportunity to illustrate the complexities of a situation while showing the influences of both leadership and the passage of time on the organization. The use of the qualitative case study in a descriptive fashion provided the researcher the best tool to examine the phenomenon of nonprofit educational foundations in Illinois.

Identification of Foundations for Case Studies

The researcher began by surveying all public school districts in the state of Illinois. After ascertaining the number of, and length of time each foundation had been in existence, it was determined that the case study investigation would examine foundations that had been in existence for at least five years. After this criterion had been met, potential foundations for the case studies were classified according to their geographic location and the type, size, and economic makeup of the district they served. In reviewing previous studies of educational foundations the researcher determined that it was important to examine foundations that served all three types of school districts found in the state. It was also important for the researcher to do case studies of foundations that represented a cross section of the geographic and economic diversity found in Illinois.

In the review of literature a criticism of foundations assisting public elementary and secondary schools focused on their limited ability to assist diverse communities. Several studies and articles suggested that successful foundations only served large city districts, or smaller districts, usually suburban, which contained a high percentage of families in upper income brackets. The initial survey of school districts in Illinois revealed that educational foundations were serving districts and communities of all sizes. These foundations were also located in the majority of counties, and serving communities that contained populations with a significant number of poor residents as well as wealthy ones.

The researcher believed that it was important for this study to select organizations for case studies which reflected the composition of school districts with foundations throughout the state. The foundations studied also met other criteria established by the

researcher which were designed to determine if a nonprofit foundation could be a viable option for any size or type of school district. The foundations chosen to be part of the detailed case study were also selected to help determine if a foundation could be a viable option for a school district in any geographic region of the state.

Data Sources

Evidence for this study came from numerous sources. The majority were traditional data sources for the case study: archival records, structured subject interviews, key informant interviews, direct observation, participant observation, and documentation. The survey sources were developed through simple quantitative methodology.

The study focused on the use of qualitative data rather than only the analysis of statistics. Miles and Huberman describe the value of using words rather than just numbers:

Qualitative data are attractive ... are a source of well grounded, rich descriptions and explanations of procedures occurring in local context. With qualitative data one can preserve chronological flow, assess local causality, and derive fruitful explanations ... qualitative data are more likely to lead to serendipitous findings and to new theoretical integrations; ... words, especially when they are organized into incidents or stories, have a concrete, vivid, meaningful flavor that often proves far more convincing to a reader than pages of numbers.⁶

Qualitative sources which contributed evidence for this study included agendas, memos, and minutes from foundation meetings. By-laws of the foundations, publicity brochures and other materials which each foundation disseminated to the public were also examined. In addition, the case studies relied heavily on interviews. Structured interviews were conducted with a number of individuals associated with each foundation. These included some of the superintendents of the school districts being served by the foundations. Interviews were also held with a number of the chairpersons of the foundation boards. Key informant interviews were conducted with both individuals presently working with the foundation, and with individuals who were instrumental in the original creation of each organization. Direct observation of foundation board meetings and other foundation activities were major sources of evidence used in the study.

⁶ Matthew B. Miles and A. Michael Huberman, Qualitative Data Analysis: A Sourcebook of New Methods (Beverly Hills, California: Sage Publications, 1984), p. 15.

Statistical records which contributed evidence for the study included data on the population of the communities served by the school district. Data on the racial make-up and age distribution of the population of the communities were also analyzed. Information about the income levels of the residents in the communities served by the organization were also examined. A final statistic examined was the amount of funds that each school district assisted by a foundation spent on the pupils in their schools.

Triangulation

The use of multiple methods for collecting data and multiple sources of evidence allowed the researcher to check the consistency of evidence generated by different data collection methods. This process is known as triangulation. According to Guba and Lincoln "Triangulation is useful for verifying information on the same event from different ... participants ... for producing more confidence in data generated by different methodologies."⁷

The researcher employed both observer and methodological triangulation. These techniques combined dissimilar methods such as interviews, observations, and physical evidence to study the same organization and its leadership. According to Denzin, "The rationale for this strategy is that the flaws of one method are often the strengths of another, and by combining methods, observers can achieve the best of each while overcoming their unique deficiencies."⁸

The use of the multi-case qualitative case study method allowed the researcher to compare and cross check the consistency of different information derived at different times through varied means. It enabled the researcher to compare interview data with data obtained through observations. It also gave the researcher the opportunity to compare publicity materials written and produced by the foundation with information obtained through in-depth interviews with several key informants in each organization. The employment of triangulation enabled the investigator to analyze the consistency of what people involved with the organization had to say about the organization over an extended period of time.

⁷ Egon G. Guba and Yvonna S. Lincoln, Effective Evaluation (San Francisco, California: Jossey-Bass Publishers, 1981) p. 257.

⁸ Michael K. Dezin The Research Act: A Theoretical Introduction to Sociological Methods (Chicago: Aldine Press, 1970), p. 301.

By using both observational and methodological triangulation the researcher reduced the potential of infusing bias into the data. The combination of interviews with key respondents in various levels of the hierarchical organization, document analysis of both internal and external records, and extensive observation allowed for verification of conclusions through triangulation.

Limitations and Safeguards

Yin has stated that “single and multiple case studies have been viewed as a less reliable form of inquiry than either experiments or surveys.”⁹ He has stated that the prejudice against case study research has evolved for three reasons. The first is bias. Critics of the case study method have claimed that the researcher often allows biased views to influence findings and conclusions. By using extensive triangulation the researcher attempted to avoid allowing personal bias into these two areas.

A second criticism of using the case study method has been that it does not allow for scientific generalization. Yin and others believe that generalizations or replication can come from case study research. This has to be accomplished through the research design. In a single case study one can sample from a subunit and then treat the data quantitatively. A second strategy is to use multiple cases to examine the same phenomenon. This is the technique used by the researcher in this study. By examining six organizations and employing sampling, predetermined questions, related document analysis, and specific procedures for coding and analyzing data generalizations were able to be made. These generalizations are referred to as working hypotheses by Cronbach. He makes the point that generalizations decay in time in both the hard sciences and in the social sciences. For this reason he proposed that generalizations should not be the focus of social science research.

Instead of making generalization the ruling consideration in our research, I suggest we reverse our priorities. An observer collecting data in one particular situation is in a position to appraise a practice or proposition in that setting, observing effects in context. In trying to describe and account for what happened, he will give attention to whatever variables were controlled, but he will give equally careful attention to uncontrolled conditions, to personal characteristics,

⁹ Robert K. Yin, Case Study Research p. 21.

and to events that occurred during treatment and measurement.¹⁰

Cronbach goes on to state that the researcher must take into account factors unique to each locale or series of events. "When we give proper weight to local conditions, and generalization it is a working hypothesis."¹¹

The final criticism of the use of case studies is the length of time they take and the unwieldy amount of data they often produce. This criticism was addressed in a number of ways. The first was to identify the audience for the case study. By identifying the group or groups for whom the reports are written the data presented was limited in scope. The time factor was dealt with by starting to compose the case report from nearly the beginning of the investigation process for each case study. By having a clear focus of the objectives in the study certain sections were able to be drafted even before the data collection and analysis had been completed. This allowed the researcher to complete each case study in a more timely fashion.

The field work for the case studies was conducted over a two year period. Background evidence for the case studies was collected from educational foundations that have been established in Arizona, California, Colorado, Massachusetts, Michigan, as well as others in Illinois. The foundations in Illinois selected to be subjects in the case studies were initially identified through a survey sent to all public school districts in the state.

Evidence for the case reports was collected through surveys, interviews, documentation analysis, and examination of archival records. Numerous observations of meetings and events conducted by the organizations were also very important sources. Goetz and LeCompte have cautioned care in the use of case study research. They have stated that it "is one of the few modes of scientific study that admit the subjective perception and biases of both participants and researcher into the research frame."¹² The research can be distorted due to the selection of the people interviewed or observed. This potential distortion was countered in this study by making sure the activities observed, and the individuals interviewed represented a broad cross section of each foundation. This possible distortion was also minimized by relying heavily on

¹⁰ Lee J. Cronbach "Beyond the Two Disciplines of Scientific Psychology" American Psychologist 1975. vol. 30 p. 124.

¹¹ Ibid. p. 125.

¹² Judith P. Goetz and Margaret D. LeCompte, Ethnography and Qualitative Design in Educational Research (Orlando, Florida: Academy Press, 1984), p. 95.

triangulation of data sources when reporting information in each case study.

Two other areas where the limitations of qualitative research have been cited are validity and reliability. All worthwhile research must be valid. The nature of case study research is a more naturalistic type of research than either experimental or survey research. Since the researcher is the major tool in gathering data the issues of validity and reliability are critical.

Validity can be divided into two parts. The first is internal validity. Internal validity is concerned with the comparison of the researcher's findings with reality. The second, external validity is concerned with the generalizability and application of a study as it is applied to other situations. Merriam discussed a number of basic strategies that a researcher must use to insure internal validity. By employing member checks, long term and repeated observations, peer examination, frequently addressing the issue of bias, and using triangulation of data the researcher attempted to safeguard against the distortion of truth.

External validity can be a definite limitation of qualitative research if truths and laws are the aim of the study. A case study approach is best used when the researcher wishes to understand the particular in depth. By using a multi-case approach and employing cross- case analysis techniques the researcher was able to develop a working hypothesis. This working hypothesis allowed the researcher to develop concrete universals about the organizations.

The search is not for abstract universals arrived at by statistical generalizations from a sample to a population, but for concrete universals arrived at by studying a specific case in great detail and then comparing it with other case studies in detail.¹³

The investigation of the particular in several cases can lead to a realization of the general. What one learns from a particular situation is transferable to other situations. The research focused on the structure, leadership, and activities of each organization in order to provide a detailed description which a reader may need to know in order to understand the findings.

Reliability has also been an issue when doing qualitative case study research. Reliability refers to the extent to which one's findings can be replicated. Reliability is problematic in the social sciences as a whole simply because human behavior is never

¹³ F. Erickson "Qualitative Methods in Research on Teaching " in Handbook of Research on Teaching (Macmillan: New York, 1986), p. 130.

static. Reliability . . . "is based on the assumption there is a single reality which if studied repeatedly will give the same results."¹⁴

This definition represents the central concept of traditional experimental research. It is not possible to duplicate this type of reliability through qualitative, descriptive case study research. The goal of descriptive case study research is to seek "to describe and explain the world as those in the world interpret it."¹⁵ In an effort to accomplish this the researcher relied heavily on the interview method. Extensive interviewing using both structured and open ended methods was used in the study. The researcher was careful to choose for interviews a number of people who had different perspectives and information about each foundation. By carefully following the theory and assumptions regarding the nature of organizations, providing extensive information on the groups being studied, and by creating a record of all steps and components used to collect data the researcher attempted to deal with the question of reliability in the study.

Conclusion

Since the phenomenon of educational foundations assisting public elementary and secondary schools is rather new in Illinois the descriptive case study method was chosen, as the primary research methodology for this study. This method allowed the researcher to build concepts, hypotheses and theories rather than having to only test existing theories. The qualitative methods were chosen for the case studies because they were more useful, more appropriate, and more workable than the quantitative designs available.

The descriptive case study method was used in examining each of the six foundations because it had been recommended to be used in areas of research where little previous work had been conducted. Descriptive case studies have been used extensively to explore innovative programs and practices in education. The design and methodology were chosen in order to create a data base that could be used for future comparisons and theory building in the area of educational foundations serving public school districts both in Illinois and in other parts of the United States.

¹⁴ Merriam, Case Study Research, p. 170.

¹⁵ Ibid.

Chapter IV

PRESENTATION OF DATA AND FINDINGS

Introduction

The review of the literature on nonprofit educational foundations serving public school districts in Illinois had indicated that the number of foundations throughout the state ranged between 30 and 50. In doing exploratory research on the topic, many more foundations were discovered. Discussions with superintendents, school board members, foundation board members, and two professional foundation consultants resulted in information that the number of foundations in Illinois was much greater than what had been indicated in the literature. The preliminary research also indicated that many school districts were contemplating the start of a nonprofit foundation.

This information led the researcher to do a statewide survey of school districts. The purpose of this initial survey was to determine the status of nonprofit foundations in Illinois. The survey was designed to determine the number of active and inactive nonprofit foundations in the state. It was also designed to determine how many districts were considering the idea, and how many districts had considered the creation of a foundation.

After the statewide data were collected, a survey was sent to all districts that indicated they had created a foundation. A separate form was sent to the active and inactive foundations. From the response to this survey a list of foundations was developed which indicated they were willing to complete a detailed survey on fund raising activities, organizational structure, and the ways in which the foundation invested and distributed the funds that they had raised for the district. It was from the responses to this detailed survey and other sources that the researcher ascertained the information used to choose the six foundations that became the bases for the case studies detailed in Chapter V.

There were 942 public school districts operating schools in Illinois during the 1992-1993 school year. Of these 942 school districts, 904 responded to the original survey mailed in December of 1992, or to follow up requests sent in February and March of 1993.

The 904 responses represented a 96% return. Based on this information, the research process was initiated, and the resulting data presented, analyzed, and organized

in this chapter according to the study questions.

Study Questions

1. How many public school districts in Illinois are presently being assisted by an active local educational foundation? Where are they located and what are the characteristics of the school district and community each serves?
2. Which public school districts in Illinois have created local educational foundations which are presently inactive?
3. Which public school districts in Illinois are presently considering the creation of a local educational foundation to assist their district?
4. Which public school districts in Illinois have considered the creation of a local educational foundation, but have decided not to start one?
5. Which public school districts have not considered the creation of a local educational foundation?
6. How long have the active educational foundations assisting public school districts been in operation?
7. In each district that presently has an active educational foundation, where did the idea for the creation of the foundation originate?
8. Was a professional consultant employed to assist in the formation of the foundation?
9. What is the organizational structure of the local educational foundation? Who has assumed a leadership position? What have been the characteristics of their leadership?
10. What is the relationship between the foundation and the district's board of education?
11. What is the relationship between the foundation and the district administration and

staff?

12. What is the relationship between the foundation and other existing fund raising groups operating in the district?
13. What successful fund raising activities have been employed by the foundation?
14. Have there been fund raising activities attempted by the foundation which have not been successful?
15. Among the school districts with active foundations, what data are available regarding per pupil expenditures and the percentage of low income students?
16. Would the creation of a local educational foundation be a viable option for any school district in Illinois?
17. What benefits beyond the raising of funds has the foundation had for the school district it serves?
18. What guidelines can be developed that could serve as a resource for districts with, or contemplating the creation of a local educational foundation?

Presentation of Data

The information in Tables 1-8 was derived from data obtained in the statewide survey. It examined the geographic location of the foundations as well as the type of district the foundation served. It also analyzed the inactive foundations as well as districts considering the creation of foundations. This section also examined the school districts that had considered the formation of a foundation but decided against it.

Geographic Profile of Educational Foundations in Illinois

School districts with educational foundations were found in all parts of the state. In December, 1992 an initial survey was sent to all nine hundred forty-two districts in the state. (Appendix A) The results of that survey and follow up requests for data made in

February and March, 1993 are shown in Table 1. A total of nine hundred four districts responded to the survey.

Table 1

Status of Local Educational Foundations in Illinois

175	Number of public school districts assisted by a local educational foundation.
21	Number of public school districts that have had a local educational foundation which is presently inactive.
230	Number of public school districts considering the creation of a local educational foundation.
60	Number of public school districts which have considered the creation of an educational foundation but decided against it.
418	Number of public school districts that have not considered the creation of a local educational foundation.
38	Number of districts that did not respond to the three requests for information.

The one hundred seventy-five districts with foundations were found in sixty-eight of the one hundred two counties in Illinois. These districts were found in all geographic regions of the state. The greatest number of districts with foundations were found in the northern part of the state. This information is shown in Table 2.

Table 2

Counties With 5 or More Districts Assisted by Local Educational Foundations:

<u>County</u>	<u>Number of Districts</u>	<u>Number of Districts with Local Educational Foundations</u>
Cook	144	30
DuPage	43	14
Lake	47	10
Rock Island	10	6
Kane	9	6
McHenry	19	5
Henry	9	5

When analyzing the location of foundations it is obvious that the greatest number of foundations were primarily found in the counties that constitute the Chicago metropolitan area. Table 3 analyzed the counties in Illinois which had the highest percentage of school

districts being assisted by a local educational foundation. Data in this table indicate that the counties with the highest percentage of foundations were found not in the Chicago metropolitan area, but were found in primarily rural areas in the central and western parts of the state.

Table 3

Counties with the Highest Percentage of Districts Having Educational Foundations
(Minimum of five districts in the county)

<u>County</u>	<u>Number of Districts</u>	<u>Number of Foundations</u>	<u>Percentage</u>
Morgan	5	4	80
Kane	9	6	67
Rock Island	10	6	60
Warren	5	3	60
Henry	9	5	56
Kendall	6	3	50
Lee	6	3	50

The seven counties listed in Table 3 vary in population from slightly over 20,000 people to 165,000 people. None of the counties was among the largest in the state. Many of the school districts being assisted by foundations in these counties were very small in size and serve predominantly rural populations.

Type of District Assisted by a Foundation

Illinois was responsible for the education of over 1,800,000 K-12 students in public schools during the 1992-1993 school year. These students were educated in 942 districts. These districts were of three types. The first was an elementary district (K-8). The second type was the high school district (9-12), and the third type was the unit district (K-12). Educational foundations were found assisting all types of districts. The greatest number of foundations were found to be assisting unit districts. Table 4 indicates the number and percentage of foundations assisting each type of school district.

Table 4

Educational Foundations by Type of District

<u>Type</u>	<u>Number of Districts</u>	<u>Number with Foundations</u>	<u>Percentage with Foundation</u>
Elementary	412	45	10.9
High School	108	23	21.3
Unit	422	107	25.3

It is evident from the statistics that foundations were much more likely to be found assisting unit and high school districts than they were assisting elementary districts.

Inactive Foundations

Twenty-one of the 904 districts which responded to the survey indicated that they had established educational foundations which were presently inactive. Table 5 details the type of districts with an inactive foundation.

Table 5

Profile of Districts with Inactive Educational Foundations

<u>District Type</u>	<u>Number of Inactive Foundations</u>
Elementary	10
High School	5
Unit	6

The 21 districts with inactive foundations were found throughout Illinois. Ten of the districts were in the Chicago metropolitan area. A significant factor discovered in analyzing the inactive foundations was that nearly half of these districts were elementary. A detailed survey was sent to each of these 21 districts. (See Appendix B) Sixteen of the districts responded to this survey. It appeared that the first foundation to become inactive in Illinois was the foundation created by an elementary district in northern Cook County. The suburb served by the district ranks as one of the wealthiest communities in the nation. The foundation became inactive in 1979, the same year it was created. According to the superintendent of schools, the foundation was organized for the sole purpose of providing a safety net in case of a Proposition 13 type tax cap. The school board and administration were concerned that Illinois voters might enact a tax cap amendment similar to the one passed in California the previous year. They decided to go through the necessary legal work to create a nonprofit educational foundation to assist the district.

This was completed in 1979. A small amount of money was contributed and invested. The foundation has remained inactive since that time. The superintendent reported that the district has received adequate funding through traditional means, and has not needed to activate the foundation to obtain additional financial support. If this situation were to change the foundation could immediately start fund raising activities.

The other 15 districts that responded indicated a variety of reasons why their foundation became inactive. In an elementary district in Champaign County, the foundation was started and the paper work to obtain tax exempt status was in process when the superintendent died suddenly. Since the foundation was primarily his idea the process was completed, but the foundation was never activated.

The remaining districts that responded to the survey gave a variety of reasons. A common theme was a lack of time, resources, or proper leadership. A number of these foundations also indicated that their foundation had been perceived as a threat by established fund raising organizations. In one district the foundation was created for the specific purpose of obtaining a grant. When that grant was not obtained, the foundation became dormant.

Districts Considering Foundations

As reported in Table 1, there were two hundred thirty school districts considering starting foundations. These two hundred thirty districts were also found throughout the state. They were located in seventy counties. A profile of the types of districts considering foundations is shown in Table 6.

Table 6

Type of Districts Considering Foundations

<u>Type</u>	<u>Number of Districts</u>	<u>Number Considering Foundation</u>	<u>Percentage Considering</u>
Elementary	412	87	21
High School	108	35	32
Unit	422	108	26

The data indicated that all types of districts were considering the creation of a foundation. When combined with the districts that have established foundations it was evident that the foundation movement has become quite popular among public school districts in Illinois. Table 7 shows the percentage of school districts by type that either

have, or are considering starting local educational foundations. The total represented 43% of all public school districts in the state. The data showed over half of the high school and unit districts had, or were considering foundations. This was significantly more than the percentage of K-8 districts which had, or were considering the formation of foundations.

Table 7

Percentage of Districts With or Considering Foundations

<u>Type of District</u>	<u>Percentage with Foundation</u>	<u>Percentage Considering</u>	<u>Total Percentage</u>
Elementary	11	21	32
High School	21	32	53
Unit	25	26	51

Districts Which Decided Not to Start a Foundation

In the initial survey, sixty of the nine hundred four respondent districts indicated that they had considered the creation of a foundation, but had decided against it. These districts were analyzed to see if there was any pattern among them. The sixty districts are found in twenty-nine counties throughout the state. Cook with fourteen, DuPage with eight, and Lake with five were the only counties to have more than two districts that had decided not to create a foundation. Table 8 indicates the type of districts which have decided not to create a local educational foundation.

Table 8

Districts Which Did Not Start a Foundation

<u>District Type</u>	<u>Number</u>	<u>Percentage of Total</u>
Elementary	35	8.4
High School	5	4.4
Unit	20	4.7

The statistics indicated that elementary districts were much more likely to decide against the creation of a foundation than either high school or unit districts. The thirty-five elementary districts were also examined in terms of size, location, per pupil spending, and the percentage of low income students in an attempt to find common characteristics. The districts ranged in size from Lostant in LaSalle County with slightly over one hundred students to the Evanston elementary district in Cook County with over 6,200 students. The remaining thirty-three ranged widely in size between the two extremes. Twenty-six of the thirty-five districts were found in the Chicago metropolitan area. These districts

were nearly equally divided among the south, west, and north suburbs.

When analyzed in terms of per pupil spending and the percentage of low income students, the sixty districts showed a great deal of diversity. Per pupil spending ranged from a low of \$3,385 in District 66 in Kendall County to a high of \$8,152 in District 62 of Cook County. The \$3,385 ranked District 66 in the bottom 20% in spending among elementary districts. The \$8,152 placed District 66 in the top 4% of similar districts. In terms of the number of low income students the range was also quite large. Two districts, District 90 in Cook County and District 53 in DuPage County each reported not having any students classified as low income. Five of the thirty-five districts reported having over 20% of their students as low income, but only one of these, District 10 in Shelby County was among the sixty-eight elementary districts in the state that reported having over 28% low income students.

In analyzing the high school districts that had decided against creating foundations, significant diversity was found. The five high schools were located in various parts of the state. They included one of the smallest high schools in the state. District 185 in Shelby County had an enrollment of less than eighty students. The largest district was in a suburb north of Chicago. It had a single school with over 2,000 students. Per pupil spending ranged from a low of \$5,338 in District 301 in Whiteside County to a high of \$8,772 in District 302 in Kankakee County. The percentage of low income students varied tremendously. It ranged from slightly over 1% in District 128 in Lake County to nearly 62% in District 302 in Kankakee County.

The twenty unit districts that had decided not to create a local educational foundation were found in nineteen different counties. They ranged in size from under three hundred students in District 3 in Marshall County to over 3,700 students in District 308 in Kendall County. The amount of spending per pupil varied greatly. It ranged from \$3,197 per pupil in District 5 in Sangamon County to \$6,391 in District 201 of DuPage County. The \$3,197 ranked District 5 in the lowest 2% of spending among unit districts. The \$6,391 spent per pupil by District 201 placed it in the top 2% in terms of spending among all unit districts. In terms of the number of low income students the range among the twenty districts was not as great as found among high school districts. District 5 in Sangamon County reported having approximately 3% of low income students. The highest was District 9 in St. Clair County which had slightly over 31% of low income students.

Creation of Foundations in Illinois

Tables 9 through 13 represented data collected from a survey sent in the spring of 1993 to the one hundred seventy-five school districts that indicated they were being assisted by active educational foundations. The statistics in the tables vary because not all questions were answered on every survey. The creation of nonprofit local educational foundations in Illinois has been a relatively recent phenomenon. The study examined the length of time foundations have been in existence in the state. The 175 districts that indicated that they were being assisted by a foundation were sent an initial survey (Appendix C). One hundred sixty-six of the 175 districts responded to this survey. The first question in the survey asked when the foundation was started. The information on the length of time the foundations have been in existence is shown in Table 9.

Table 9

Year When Educational Foundations Were Begun in Illinois
(161 responses)

<u>Year</u>	<u>Number of Foundations Started</u>
1993	9
1992	49
1991	23
1990	18
1989	13
1988	11
1987	11
1986	3
1985	9
Prior to 1985	11
Information Not Given	4

The data in the above table indicate that foundations were a relatively new phenomenon in the state. Over half of the foundations have been started since 1990. Only thirty-four districts indicated that they were assisted by foundations for more than five years. Those thirty-four districts were found in twenty-five counties. Only Cook County with five, Kane County with three, and Crawford, Lake and Whiteside Counties with two each had multiple school districts with foundations prior to 1988.

When the thirty-five foundations founded before 1988 were analyzed, the oldest active foundation, Thornton High School in District 215 in Cook County, was found to have been formed in 1954. The foundation was created by the superintendent and a Board of Trustees. Over the years the foundation has relied heavily on mailings as its primary means of raising funds. The foundation "collects an average of \$6,000 a year in

donations to support a scholarship fund for students.”¹

The oldest foundations discovered to be assisting elementary and unit districts were both started in 1980. The elementary district was located in Jackson County in the southern part of the state. The foundation was begun with the help of the Parent Association in the district. The foundation indicated that it has raised between \$1,000 and \$5,000 each year. These funds were used to support a number of projects. They were also partially used to help pay the salary of a part time art teacher in the district. The oldest foundation found assisting a unit school district was begun in Livingston County. In 1980 a community foundation was begun which was designed to assist the schools as well as a number of other nonprofit organizations in the community. The current superintendent of the district has been one of the five member board of directors since the inception of the foundation.

Most of the thirty-four foundations that were in existence before 1988 were created to assist unit districts. Twenty-seven of the thirty-four foundations assisted unit districts. The research indicated that prior to 1988 there were only four elementary and three high school foundations operating in the state.

Origination of Foundations

The survey was also designed to determine where the idea for the creation of the foundation originated. Table 10 lists where the idea for a foundation began.

Table 10

Source of Idea for the Start of an Educational Foundation (161 responses)

<u>Source</u>	<u>Number</u>
Current or Former Superintendent	51
School Board Member	37
Superintendent and School Board	12
Community Member	30
District Administrator other than Superintendent	9
District Teacher	4
School Improvement Team	2
Regional Superintendent of Schools	2
School Business Partnership	1
Media	1
Unknown	12

¹ Matthews, Southtown Economist, 11 March 1990, p. 26.

The superintendent was the most common source for the idea to start a foundation. Many of the foundations were also started by interested individuals or groups in the community. In the thirty-four districts which started foundations before 1988 the idea for the foundation primarily came from the superintendent or from members of the community. The impetus for creating foundations in the past five years came much more frequently from members of the school board.

Use of a Professional Consultant

The earliest foundations in Illinois were organized by men and women who had to rely on models from private schools, colleges and universities. A few of the earliest foundations indicated they had contact with board members from foundations in California. Of the thirty-four foundations founded before 1988, twenty-eight indicated that they did not have any professional help in organizing the foundation. Six districts indicated that they had limited professional help. In most cases the professional help consisted of attorneys who had worked with other nonprofit organizations. In Putnam County a professional company, Educational Foundation Consultants, was used. This was a company formed in 1982 for the purpose of assisting schools and other nonprofit organizations in establishing charitable foundations.

Among the foundations begun in the past five years the use of professional assistance has become much more common. Forty-eight of the districts indicated that they had used professional help in organizing the foundation. Seventy-nine districts indicated that they had not done so. The majority of the professional help came from attorneys who assisted the foundation with the filing procedure to obtain federal tax exempt status. A number of foundations indicated they had enlisted the aid of Educational Foundation Consultants or other professionals, who are in the business of providing comprehensive assistance in developing the foundation from the idea stage through its first few years of existence.

Paid Staff and Endowments

One of the goals of the survey was to determine how the foundations in Illinois were using the funds raised. The initial survey asked if the foundation was using money it raised to start an endowment. It also asked if the funds were being used to employ paid staff for the foundation. One hundred sixty-one foundations answered this question. The

responses indicated that only fourteen of these foundations were using funds to employ staff. In most of these foundations the staff consisted of a part time secretary. Many of these were employees of the school district who were given an extra \$1,000-\$3,000 by the foundation to do foundation work outside of their school hours. Only two foundations indicated that they employed full time help. One of these was a foundation assisting a large high school district with many buildings in suburban Chicago. The other was a joint effort by two foundations assisting unit districts in central Illinois. Each foundation paid half the salary of a Development Director. This director worked for both foundations and coordinated the fund raising activities for each.

The 175 foundations were also asked if any of the funds being raised were being placed into an endowment account. Table 11 indicates the responses received.

Table 11

Establishment of Endowments
(163 responses)

Number of Foundations With Endowment Accounts-	80
Number of Foundations Without Endowment Accounts-	83

Of the 83 foundations without endowment funds six indicated that they were planning to start one in the future. In further analyzing the data the foundations with endowment funds were found throughout the state. Table 12 shows the type of districts with foundations that have established endowment accounts.

Table 12

Type of Districts With Endowment Accounts
(80 Responses)

Unit-	57
Elementary-	20
High School-	3

The creation of endowments has been most common among foundations assisting unit school districts. Over 54% of these foundations have created endowments. Slightly over 40% of the elementary foundations have endowments, while only 13% of the high school foundations had endowments by the spring of 1993.

Foundation Board

Each nonprofit foundation has a board of directors which is responsible for giving direction and making decisions for the foundation. The number of directors is determined by each foundation through its by-laws. The survey asked foundations to indicate the size of their boards. One hundred fifty-two foundations responded to this question. Table 13 shows the range in size of membership on the foundation boards.

Table 13

Size of the Foundation Board of Directors (152 responses)

3 to 5 members - 21	15 to 17 members - 16
6 to 8 members - 30	18 to 20 members - 14
9 to 11 members - 40	21 to 23 members - 7
12 to 14 members - 18	24 or more - 6

The size of the board of directors varied tremendously among foundations. It ranged from six foundations that had a board of only three members, to one foundation that had a board of 33 members. The most common size for boards was seven and nine. Twenty-three foundations had seven directors while another 23 had nine. A total of 115 foundations reported having boards with between five and fifteen members. In reviewing the literature on nonprofit foundation boards it is frequently recommended that from five to fifteen members was the ideal size for the board. Over 75% of the foundations which responded to this question had boards within this range.

Funds Raised

In the initial survey of the one hundred seventy-five active foundations the researcher asked if a member of the foundation board would be willing to complete a detailed survey on fund raising and the disbursement of funds. Sixty-six foundations including those detailed in the case studies completed all or parts of this survey. (See Appendix D) Tables 14-24 show the data analyzed from this survey. The responses vary because not all survey sections were completed by each foundation. A primary purpose of this survey was to determine the amount of money being raised annually by active foundations. The survey was also designed to determine how funds were raised and how these funds were being used by the foundations. The organizational structure

of the foundation was also analyzed from questions designed to determine who was in charge of choosing the fund raising activities and how decisions were made regarding the choice of fund raising activities and approving the expenditure of funds. Table 14 shows the range of funds raised annually by the sixty-six foundations that completed the detailed fund raising survey.

Table 14

Funds Raised Annually by Foundations
(62 responses)

Under \$1,000	- 2	\$15,000 - \$19,999	- 4
\$1,000 - \$4,999	- 13	\$20,000 - \$24,999	- 6
\$5,000 - \$9,999	- 17	\$25,000 - \$50,000	- 7
\$10,000 - \$14,999	- 7	Over \$50,000	- 6

The results showed that the amount of money raised by nonprofit educational foundations in Illinois was not significant, when compared to the amount of money raised by similar foundations in California, Michigan, Massachusetts, New York, and elsewhere. This can be explained by looking at a number of factors. First, there has been less of a perceived need for the funds in Illinois than in other states where similar foundations have been created in large numbers. In California and Massachusetts Propositions 13 and 2 1/2 respectively, caused significant and immediate cuts in school financing. Similar drastic cuts in funding have not yet occurred in Illinois.

In analyzing the foundations that have raised funds, two of the six foundations which reported annual fund raising in excess of \$50,000 assist large Chicago suburban high school districts. Each of these districts have at least three attendance centers and draw students from several communities. Two other foundations assist large unit districts which were also found in the suburban Chicago area. The other two foundations which reported raising over \$50,000 were located in mid sized cities. Both of these communities were located in the northern half of the state. One foundation serves two unit districts which are separated by a river. The foundation coordinates fund raising activities for both districts. The other was a foundation assisting a unit district started in 1992. The relatively large amount of money was raised through a highly publicized charter donor campaign.

The seven foundations that have raised between \$25,000 and \$50,000 annually showed greater diversity. Three of the districts were elementary while the other four were unit districts. Three of the districts were located in the Chicago area while the other four

were located in various parts of the state. The foundations that raised under \$25,000 were found throughout the state serving all types of districts.

Another factor which contributed to the modest amount of funds raised by the foundations was the relative newness of the organizations that responded to the detailed survey. Only twenty of the sixty-six foundations had been in existence for over five years. Over thirty of the foundations were less than three years old. It was evident from the responses in the survey that many foundations had goals for their fund raising that were much greater than the amount of money they received during their initial years of operation. Table 15 indicates the goal for fund raising indicated by the foundations which responded to the section on goals for fund raising.

Table 15
Goals for Funds Raised
(61 responses)

1,000- 4,999 -	5	20,000-24,999-	6
5,000- 9,999 -	4	25,000-50,000-	9
10,000-14,999 -	4	Over 50,000-	9
15,000-19,999 -	2	No Goal Set-	22

The data indicated that 18 foundations had goals for fund raising greater than what they had previously raised. Most of these foundations were three years old or less. Seventeen foundations indicated that their goals were in the same dollar range as what they had previously raised. Thirteen of these seventeen foundations had been in operation for at least five years. Eleven served unit districts, four elementary, and two high school districts. All six foundations detailed in the case studies were in this category. Four foundations indicated that their goals were actually less than what they had raised. Three of these foundations served small unit districts in the south and central parts of the state. One foundation had been created to assist a K-8 district in the south central portion of Illinois. The amount of money raised by these four foundations was not significantly greater than the goals each foundation had set.

A large number of foundations indicated that they had not set goals. Most of these foundations had been organized since 1990. They stated that their board had not yet considered goals for fund raising.

The detailed survey also examined the type and number of fund raising activities the foundations conducted annually. Fifty-eight of the sixty-six foundations reported that they

the mechanism for bequests or memorials indicated that they planned on starting them in the future.

The survey also determined where funds received through bequests, memorials or as part of other endowment accounts were being placed. The foundations that responded indicated that money market funds and interest bearing savings accounts were the most common forms of investment. Foundations with endowment accounts also had invested in certificates of deposit and treasury bills. Two foundations indicated that they had established trust funds at local banks.

The detailed survey also asked what percentage of the funds raised were being placed into endowment accounts. One foundation indicated that 5% was designated each year to be placed into the endowment account. Three foundations stated that between 20% and 50% of the money raised was being placed in some type of interest bearing account. One district stated that two-thirds of the funds being raised were going into an endowment account. Most of the foundations indicated that the amount varied from year to year. They quite often received certain donations which were earmarked for the endowment account. Depending on the size of the donation this caused the percentage to vary considerably.

Two foundations, both formed in 1992, indicated that all funds obtained were being placed in endowment accounts. One of these foundations indicated that it would begin awarding mini-grants to teachers from the interest earned. The other foundation indicated that it had set a goal of \$500,000 for its endowment account. All funds raised by the foundation were being placed into this endowment fund. All interest would be reinvested until the endowment fund reached the desired goal. There were no plans to award grants from interest earned until the \$500,000 goal was achieved.

Impact of Foundation Fund Raising on Other Fund Raising Groups

In reviewing the literature on educational foundations nationwide one of the drawbacks frequently cited was their negative impact on previously established fund raising groups in the district. The literature suggested that one way to avoid problems was to have the foundation conduct fund raising events in conjunction with other organizations. In the detailed survey the question was asked whether any fund raising activities had been conducted in conjunction with other fund raising groups associated with the schools. Of the sixty-one responses only ten foundations indicated they had

done fund raising with other groups. In seven cases a fund raising event was co-sponsored with a PTA or a PTO organization. In two others, a fund raising event was coordinated with an alumni association and a band booster group. The final shared event was with an athletic booster group where professional athletes were brought to the district to play alumni in a basketball game. The proceeds were split between the athletic department and the educational foundation.

The survey also asked if the foundation believed that any of their activities were being perceived as being in competition with other fund raising activities of district organizations. Nine foundations reported that they believed other organizations felt the foundation was in competition for funds. Fifty-two foundations reported that they did not feel there was any competition. In seven of the nine districts the foundation reported that parent organizations were the groups that perceived there was competition from the foundation. In the other two cases the competition was perceived from booster organizations.

Disbursement of Funds

The foundations were also surveyed to determine how the funds they raised were distributed. Table 17 indicates who determined how funds raised by the foundations were distributed.

Table 17

Determination of Who Distributes Funds Raised by Foundation (61 responses)

Committee of Foundation Board -	7
Entire Foundation Board -	47
Superintendent -	0
School Board -	6
Other -	1

In the majority of foundations the entire foundation board was solely responsible for the decision on how funds were distributed. In many of the foundations a sub committee was first responsible for screening grant applications. The sub committee made recommendations to the board of directors, who voted on the proposal. In seven foundations a grant allocation committee had the final say on how funds were distributed. In six instances the school board voted on the distribution of funds after receiving the

proposals from the foundation board. In one case the foundation held a public meeting where parents, staff, board of education members, administrators and community members were invited. All grants made by the foundation were determined based on a positive vote by the majority of people present at this annual meeting.

Foundations were also surveyed to determine if there was a policy as to who was responsible for reviewing the funding requests before they were received by the foundation. In a number of cases the funding applications were reviewed by more than one person or group before they were presented to the foundation board. That is why the total in Table 18 exceeds the number of foundations that completed the survey.

Table 18

Who Reviews Grant Applications Before Being Presented to the Foundation

Superintendent of Schools -	33
Building Principals or Other Administrators -	22
School Board of District -	14

Foundations were also surveyed to determine how the funds raised were distributed. The survey revealed that money raised by the foundations was distributed in many ways. Table 19 indicates the most common ways that funds have been distributed.

Table 19

Distribution of Funds by Foundations

Purchase of Equipment -	59	Scholarships for Students -	10
Grants to Teachers -	39	Grants to Administrators -	4
Programs for Students -	19	Grants to Parent Groups -	3
Salaries for Staff -	14	Maintenance Needs -	2

The purchasing of equipment for the schools has been the primary use of funds. Table 20 indicates the most common purchases for schools made by the foundations.

Table 20

Purchases of Equipment Made by Foundations

Computer Equipment -	22
Science Equipment -	13
Audio Visual Equipment -	6
Math Manipulatives -	4
Satellite Dish -	2
Other Items -	12

The computer equipment funded by foundation grants ranged from software packages to the furnishing of entire computer labs at a cost of over \$50,000. The purchase of science equipment also varied greatly. It ranged from inexpensive hand held microscopes for primary students to very sophisticated and expensive high tech equipment being used for advanced placement classes in high schools. Other items included such things as laminators, binding machines and lighting equipment for stages.

Grants to teachers and other staff members were the second most common way that funds were distributed by foundations. Many foundations have begun mini-grant programs for staff members. Mini-grant programs were very common among foundations in other parts of the country, and have been adopted by many foundations in Illinois. Numerous foundations indicated that they had, or planned to begin their disbursement of funds by awarding small mini-grants to staff members. The majority of these mini-grants ranged between \$50 and \$500. They were used by staff members to provide both remedial and enrichment materials for their students. They were also used to take classes on field trips and to bring guest speakers to their buildings and classrooms.

A large number of the grants awarded to staff members funded special programs for specific classes or grade levels. These programs ranged from cultural exchanges to simulated archeological digs. They also included special workshops in the arts or programs to promote self-esteem. Several mini-grants were used to provide materials for units on anti-gang or anti-drug activities.

It was also very common for foundations to sponsor programs for students. Special assemblies in many areas were very common. Artists in residence programs were sponsored in a number of districts. Other foundations brought in professional musicians and dancers for assemblies and workshops. Ten foundations indicated that funds were given to students for scholarships. These ranged from college scholarships awarded to high school seniors to scholarships for elementary and middle school students to attend

band or music camps during the summer. Grants were also awarded to administrators by four foundations. Two other foundations indicated that they awarded grants specifically for maintenance improvements.

The survey showed that educational foundations in Illinois were much more focused on using funds to promote activities or programs for students than to cover salaries or other expenses that normally were covered by the general revenues of the school district. Educational foundations in Illinois have not been faced with the same type of financial difficulties that foundations in California and other states have faced. The primary direction of foundation expenditures in Illinois has been to provide supplemental materials and programs. Only a few foundations have used monies raised to pay salaries or restore programs that have been cut from district budgets.

Disbursement Patterns

The detailed survey of foundations also examined patterns of disbursement of funds. Twenty-six foundations indicated that they had an established time frame for the distribution of funds. Table 21 shows when foundations distributed funds.

Table 21

Time Frame for Distribution of Funds (26 responses)

Annually -	16
Semi - Annually -	7
Quarterly -	2
Monthly -	1

The survey also examined if there was a maximum amount of dollars that could be requested in a grant application. Only six foundations indicated that they had established a specific maximum amount that could be requested. Three foundations had established a maximum of \$500. One foundation stated that it had a maximum amount of \$5,000. The other two foundations, both of which had been in existence for over five years, had established multiple categories of grant limits. Each of these foundations had a number of categories into which grant applications fell. Each foundation had set a maximum in each category. Both foundations indicated that this multi-category system had evolved over the years, and was still in the process of refinement.

The final section of the survey sought to determine the number of requests received

by foundations and the percentage of requests funded in any given year. Table 22 shows the number of grant requests received.

Table 22

Annual Number of Funding Requests Received by Foundations
(39 responses)

1 - 3 requests -	4 foundations	21 - 25 requests -	2 foundations
4 - 6 requests -	9 foundations	26 - 30 requests -	5 foundations
7 - 9 requests -	1 foundation	31 - 50 requests -	1 foundation
10 - 12 requests -	10 foundations	51 - 60 requests -	3 foundations
13 - 15 requests -	1 foundation	61 - 80 requests -	1 foundation
16 - 20 requests -	1 foundation	Over 80 requests -	1 foundation

Over half of the foundations indicated they received a dozen or fewer requests in any given year. Of the fourteen foundations that indicated they received twenty or more requests each year, nine had been in existence for at least five years. It was apparent that most of the foundations which had many requests were well established. One foundation indicated it received over one hundred grant requests. This foundation was in its first year of operation. It had been established to assist a school district that was having a great deal of financial difficulty. This foundation indicated it was only able to fund a small portion of the grant requests during its initial year.

Foundations were also asked what percentage of funding requests they were able to meet on an annual basis. Table 23 indicated the results of this survey.

Table 23

Percentage of Grant Requests Funded by Foundations
(40 responses)

<u>Percentage</u>	<u>Grants Funded</u>
Less than 10%	2
10 - 19%	2
20 - 29%	1
30 - 39%	3
40 - 49%	1
50 - 59%	4
60 - 69%	3
70 - 79%	4
80 - 89%	8
90 - 99%	3
100%	9

The two foundations that indicated they funded less than 10% of grant requests were quite different. One was an elementary foundation which had just started and had many applications from staff members. The other was a high school foundation which was established in 1989. This foundation indicated that they had been having problems since they started. These problems involved a lack of steady leadership and that the organization was perceived as being in competition with other fund raising groups that had been previously established for the school. The foundation indicated in their responses on the survey that they planned on becoming inactive in the near future.

Nine foundations indicated they were able to fund 100% of the grant requests they had received annually. Two of the foundations indicated that they had received only one request each year. Another one indicated it had received two requests. Three others indicated they received five grant applications. One foundation had seven requests while the remaining two were able to fund all ten requests they received.

The final question asked in the detailed survey was how successful the foundation perceived itself to be. Table 24 indicates how the foundations rated their success.

Table 24

How Foundations Rated Their Success
(58 responses)

Very Successful -	17 foundations
Successful -	24 foundations
Less Successful than Anticipated -	16 foundations
Unsuccessful -	1 foundation

The majority of foundations which responded rated themselves either successful or very successful. The seventeen foundations that rated themselves very successful were found in all parts of the state. They represented all three types of districts: elementary, high school and unit. All six foundations detailed in the case studies were in this category. There were two common themes found in the comments made as to why these foundations considered themselves very successful. The first was that the amount of money raised either equaled or exceeded the goals that had been set by the foundation. The second trait of very successful foundations was the degree of support the foundation was receiving from the people it served. Very successful foundations credited widespread support from parents, staff and community members as one of the

major reasons for declaring themselves very successful.

The twenty-four foundations that labeled themselves successful were also found in all parts of the state. They also represented the three types of districts. Their success in raising funds and having had a good start were most often cited as why they chose to call themselves successful. The majority of foundations in this category had been in existence for three years or less.

The sixteen foundations that considered themselves less than successful were also found in all geographic regions of the state. A larger percentage of these foundations served districts in the Chicago metropolitan area than in other parts of the state. The primary reasons cited by these foundations for being less successful were that the funds raised were less than had been anticipated, and that the foundation had received much less support than expected. This lack of support was frequently stated to be from both members of the foundation board and from staff and parents in the district. A number of foundations stated that poor organization and leadership on the board were also contributing factors to the rating. These factors were also cited by the one foundation that rated itself unsuccessful. The survey indicated that a lack of leadership and a rapidly declining base of support in the community had caused the foundation board to cease fund raising activities. The respondent had indicated that the foundation was going inactive in the near future.

Financial Analysis of Districts Served by Foundations

One of the criticisms leveled against foundations has been that they primarily benefit only districts that have a high percentage of wealthy families. Critics have claimed that educational foundations have become a means for wealthy school districts to increase their spending on each pupil. They have also claimed that poor students have not had the chance to benefit from the assistance of foundations since a very high percentage of the most successful foundations in other parts of the country were found in wealthy communities with few low income students. A purpose of this research was to determine if districts in Illinois which have created foundations fit the pattern of high per pupil spending with few low income students that has been a source of criticism of educational foundations in other parts of the United States.

Two measures were used for comparative purposes. The first was the operating expenses per pupil. This reflected the dollar amount spent in each district on each child

during the 1991-1992 school year. The state average for the year was \$5,327 per pupil. The average expense for elementary districts was \$4,927. The average expense for unit districts was \$4,987, and the average for high school districts was \$8,254.

The data in Tables 25-28 reflect an analysis of the school districts served by the one hundred seventy-five active educational foundations. These tables examine the per pupil spending and percentage of low income students. The analysis was based on statistical information obtained from the State Board of Education and the Taxpayers Federation of Illinois. Table 25 indicated how the one hundred seventy-five districts assisted by foundations compare with the state average in terms of per pupil expenditure.

Table 25

Per Pupil Spending of Districts with Foundations

<u>District Type</u>	<u>Number with Foundations</u>	<u>Number Above State Average</u>	<u>Number Below State</u>
<u>Average</u>			
Elementary	45	17	28
Unit	107	17	90
High School	23	9	14

There were only forty-three of the one hundred seventy-five districts that reported per pupil spending above the state average in 1991-1992. All seventeen of the elementary districts that spent above the state average were located in the northern and western suburbs of Chicago. The seventeen unit districts included the city of Chicago and ten districts located in northern and western suburban communities. The other six districts were found scattered throughout the northern and western part of the state. The nine high school districts which had per pupil expenditures above the state average were also all located in the Chicago metropolitan area. Unlike the elementary and unit districts however, the high schools were located in suburbs south of the city as well as in northern and western suburbs.

Over 75% of the districts with foundations reported per pupil expenditures below the state average. The twenty-eight elementary districts were nearly equally divided between the Chicago area and other parts of the state. Fifteen of the districts were found in a six county metropolitan area. They were found in all sections of the area except the northern suburbs near Lake Michigan. The other thirteen districts were widely scattered throughout the state and included a number of districts which had per pupil expenditures

considerably below the state average.

The ninety unit districts with expenditures below the state average represented all geographic regions. Eight of the districts were in the Chicago metropolitan area. All four of the unit districts detailed in the case studies were included in this category. The districts included a number which ranked among the bottom 10% in per pupil expenditures in the state.

The high school districts that were below the state average included districts both in the Chicago metropolitan area and other parts of the state. Eight were in suburbs of Chicago. The other six were found in separate counties in various parts of the state.

In regard to the number of low income students the information was obtained from the Taxpayers' Federation of Illinois. Using data from the Illinois Report Card for the years 1989-1992 they compiled statistics on each of the 942 districts in Illinois. Tables 26-28 show the percentage of low income students being served by districts with educational foundations. The percentage of low income students in the state for the 1991-1992 school year was thirty-two.

Table 26

Percentage of Low Income Students in Elementary Districts with Foundations

Number of Districts with Foundations 45			
Less than 5%	18	20-29.99%	4
5-9.99%	13	30-39.99%	1
10-19.99%	7	Over 40%	2

Table 27

Percentage of Low Income Students in Unit Districts with Foundations

Number of Districts with Foundations 107			
Less than 5%	13	20-29.99%	30
5-9.99%	10	30-39.99%	10
10-19.99%	39	Over 40%	5

Table 28

Percentage of Low Income Students in High School Districts with Foundations

Number of Districts with Foundations 23			
Less than 5%	9	20-29.99%	2
5-9.99%	7	30-39.99%	1
10-19.99%	4	Over 40%	0

When examining the statistics only sixteen of the one hundred seventy-five districts with foundations had a higher percentage of low income students than the state average. This appears to be a very low number. In reality, since the majority of low income students are found in one district, which also is the largest district in the state, the percentage was not as low as it appeared. Only ninety-two of the nine hundred forty-two districts contained a higher percentage of low income students than the state average. When this was factored into the analysis it was discovered that over 17% of the districts assisted by foundations were among the ninety-two above the state average in percentage of low income students.

Summary

Research done as part of this study has shown that the number of nonprofit educational foundations in Illinois was much greater than what had been indicated through a review of the literature. More and more school districts are searching for new ways to raise funds. Nearly 20% of Illinois districts are presently being assisted by nonprofit foundations. Another 24% are considering starting foundations.

The educational foundations serving Illinois public schools were found in nearly every part of the state. The study discovered that educational foundations were found serving both large and small school districts in both rural and urban areas.

Foundations in Illinois showed some common characteristics. A primary one was that the educational foundation was independent from, but closely linked to the administration and school board of the district. Another characteristic of foundations in Illinois was their organizational structure. Foundations were analyzed to determine how they attempted to obtain financial support and how they distributed and invested the funds they raised.

The data collected showed that foundations in Illinois have been able to provide

some financial resources to assist their school districts. Foundations in Illinois, unlike many of those in California, Massachusetts and elsewhere, used these financial resources to provide new equipment and programs for the schools. In most cases Illinois foundations have not had to use their resources to pay for programs or the salaries of staff members cut due to budget restrictions and tax caps. The foundations in Illinois have been able to promote themselves as organizations designed to bring extra resources to the schools in the districts they serve. They have not been forced to be a vehicle designed to save programs cut through the actions of either the taxpayers or state legislature.

The foundations were also analyzed in terms of the expenditures of the district and the number of low income pupils being educated in the schools. The data indicated that the foundations in Illinois were not assisting only wealthy school districts. Over 75% of the foundations were found aiding districts that had per pupil expenditures below the state average. The data also indicated that a significant number of low income pupils were attending schools in the districts with educational foundations.

Chapter V

CASE STUDIES OF SELECTED FOUNDATIONS

A primary purpose of this study was to determine the number of nonprofit educational foundations serving public school districts in Illinois. Once identified, the study sought to analyze these foundations in a number of ways. One was to determine the length of time each foundation had been in existence. Another was to learn where the idea for the creation of the foundation originated. A third goal was to examine the relationships that existed among the foundation board of directors, the school board and the administration of the district. The study also examined a number of demographic and economic factors. These included the size, type, and location of the districts being served. They also included statistics on per pupil spending, percentages of low income students, and income and other data about the residents of communities served by educational foundations.

This analysis led to the creation of a profile of districts throughout the state which had, or were considering the creation of an educational foundation. It was from this profile that selected foundations were chosen to be part of the detailed case studies. These case studies constitute the material in this chapter.

The case studies focused on six individual foundations serving school districts throughout the state. These foundations had all been in existence for at least five years. They were selected to be the subject of a case study because each foundation has had a positive impact both on the school district, and in the community. The objective of each case study was to trace the evolution of the foundation from the idea stage to its present position as an established organization. In examining this development, particular attention was paid to the leadership of each organization and the way in which the leaders of the foundation were able to build a base of support among various groups within the school district and the community. The case studies also examined the relationship which developed between the leadership of the foundation and the board of education. Each case study also analyzed the techniques used by the leaders of the foundation to develop successful fund raising programs and establish procedures for the disbursement of these funds.

Evidence for each case study came from many sources. Traditional sources for case study research were used extensively. These included direct observations of foundation

board meetings, strategic planning sessions held by boards, informal meetings of officers, and a number of observations of fund raising planning sessions held by the foundation board. There was also direct observation and participation by the researcher at various other events sponsored by the foundation. These activities were designed to enrich the educational opportunities for students, and build the partnership between the foundation and the community.

Data for the case studies also came from structured subject interviews with certain individuals who were instrumental in getting each foundation started. These included a number of superintendents and school board members as well as individuals from the local communities. Each study also contained information obtained through key informant interviews. Key informants included school administrators, staff, business owners, and a number of citizens in the communities who had given significant financial and other types of support to the foundation. (See Appendix E)

Numerous archival records and other documents were examined from each foundation. These included minutes from school board meetings and subcommittees organized to develop the plan for the foundation. By-laws and mission statements of the foundations were also examined. The minutes of foundation meetings also provided a rich source of information for each case study. Another archival source which provided valuable evidence for each case study was the publicity that had been generated by each foundation. This included newsletters and press releases obtained from the foundation. It also included foundation information and activities found in literature distributed by the school district to parents and residents of the community. In addition, much information was obtained from numerous articles about each foundation that appeared in the local newspapers serving the communities where the foundation was located.

The six foundations that were the subject of the case studies were chosen for a number of reasons. The first criteria each met was that the foundation had been in existence for five or more years. Since the phenomenon of creating nonprofit educational foundations has been a relatively recent one in Illinois there were not an extensive number of foundations which were over a few years old. The survey of all public school districts in Illinois which the researcher conducted in late 1992 and early 1993 identified only thirty-four of one hundred seventy-five active foundations which had been in existence for at least five years. In examining research on organizations in the profit sector five years of existence was frequently cited as the point when a business

organization could be considered to have reached an established mature stage.

The six foundations detailed in the case studies were chosen for a number of additional reasons. They reflected both the geographic and economic diversity found in the state. They also represented school districts of various sizes. They were also chosen because they reflected the three types of school districts found within the state. One of the cases examined an elementary district. The initial research indicated that slightly over 10% of the K-8 districts were being assisted by an educational foundation. Another case study examined a high school district. Twenty-two of the one hundred eight high school districts in Illinois during 1992-1993 had indicated they were being assisted by a foundation. Four of the cases were studies of foundations serving unit districts. These four were chosen because the unit district is the most common type of school district found in Illinois. They were also chosen because over one hundred of the active foundations in the state were found to be assisting this type of school district.

The six case studies are presented in alphabetical order by the name of the primary community that they serve. Two of the six foundations assist a district that only serves one community. Both of these foundations are in the metropolitan Chicago area. One foundation serves a K-8 district while the other serves a unit district. The other four foundations all assist school districts that encompass two or more communities.

The six foundations were chosen to be the subject of a case study because they represent the diversity of communities found throughout Illinois. They were also chosen because each had been cited in literature or through investigation as very successful foundations which could be used as models for others considering starting this type of organization for their school district.

The data for each case study was collected somewhat simultaneously starting in September of 1991 and concluding in November of 1993. The data collection included multiple visits to each of the communities during this time period.

BATAVIA

Background

Batavia is a community of approximately 19,000 people. It is located along the banks of the Fox River approximately thirty-five miles west of the city of Chicago, and is one of the oldest communities in the northern portion of the state. Records indicate that the first school was constructed east of the Fox River in 1834. The school was the first public building constructed in Kane County. The building was the focal point of the community. In addition to being used as a school, the building was also used as the town meeting hall and as the center for social events. Each Sunday the building became the home of religious activities in the valley.

The state of Illinois did not pass its public school law until 1853. Therefore, the original school was not a public school, but a select school. All expenses were borne by the families who used the school. After a teacher was hired and moved from Vermont the school opened with nine pupils. As more families settled in the area a second school was constructed west of the Fox River in 1840. These two schools evolved into two separate districts on each side of the river. The districts remained separate until 1911 when they were consolidated into District 101 of Kane County.

Batavia is a town with a dual identity. It is one of a series of Fox River communities that has developed its own commercial and industrial base. In the past decade, as the Chicago metropolitan area has expanded westward, Batavia has also become part of the outer ring of Chicago suburbs. This had led to rapid population growth. This rapid growth has included many families with school age children, and has caused a major space problem for the school district.

Batavia is a rather homogeneous community. The population is nearly 92% white and the remaining 8% is nearly equally divided among people of African-American, Hispanic, and Asian backgrounds. There is somewhat more diversity in the economic profile of the community. In statistics from the Neighborhood Demographics Report the average household income for Batavia in 1990 was \$39,681.¹ Nearly 14% of the families reported household incomes of less than \$15,000 while slightly over 30% of the families

¹ 1990 Neighborhood Demographics Report CACI Arlington, Virginia

reported incomes of over \$50,000.² In statistics from the 1992 school report card the district reported having less than 2% low income students.³

The Batavia public schools are facing a number of difficulties. The primary one is lack of space for students. By the end of the 1992 school year the district was using every available classroom in the elementary buildings. With a projected enrollment increase of over 100 students in each of the next four years the district is facing an immediate need to construct an additional building or make extensive additions to existing ones. The high school also faces a space shortage. The building was constructed in 1967 when the enrollment was under 500 students. It was built for a capacity of 1,000 students. In the 1992-93 school year the enrollment exceeded 1,000 and was projected to increase by over 100 students in each of the next five years. The plans have been drawn to build a substantial addition in the near future.

A second major problem for the schools is adequate financing. A referendum was defeated by the voters in the spring of 1992. Complicating matters was the fact that Kane County was one of the five Illinois counties that enacted a property tax cap in 1991. This tax cap limited school districts to an annual tax collection increase of 5%, or the rate of inflation, whichever is less. This combination of the defeated referendum, tax caps, and the need for additional space has caused the district to be very frugal in its expenditure of funds. An example of this can be seen in the per pupil expenditures. In the 1991-92 school year the average per pupil expenditure of the state of Illinois was \$5,066. During the same period Batavia's per pupil expenditure was only \$4,875. This was not only below the state average, but considerably below the average for the majority of school districts in the suburban area west of Chicago.

Organization and Leadership

The Batavia Foundation for Educational Excellence was established in 1985. It was founded to provide a means of enriching and enhancing educational programs and opportunities for the children in the schools of Batavia. The initial idea to create a foundation came from Dr. Stephanie Marshall who was the superintendent of the district at that time. Dr. Marshall had first heard about the concept of creating educational foundations at a conference she attended in 1984. The concept was expanding rapidly in

² Ibid.

³ Batavia Public Schools, 1991-1992 Annual Report, p. 7.

California, and she thought it would work well in Batavia. Each year the board of education had found that there was less money available in the budget to provide staff members with funds that could be used for "extras" or innovative ideas in their classrooms. Dr. Marshall shared her knowledge of the concept of a foundation with members of the board of education who were very receptive to the idea of trying to develop one for Batavia. A sub-committee of the board of education was formed for the purpose of identifying individuals in the community who had a history of support for the public schools of Batavia. "A group of seven movers and shakers who represented a cross section of the community were chosen to be on the original steering committee."⁴

This group met for slightly less than one year before the foundation was officially launched. The steering committee included two members of the board of education. This was done to insure frequent communication between the board of education and the committee organizing the foundation. The steering committee also met frequently with the superintendent, other administrators, and staff from the schools in order to ascertain the perceived needs of the school system and develop ways in which the foundation could be organized to meet them.

During this organizational period the steering committee developed a number of goals. The first was to create a mission statement. The committee determined that the foundation would be an independent tax exempt organization dedicated to providing funds for materials and programs that would not be considered part of the normal operating budget of the district. The goal was to make funds available so staff members could provide new and innovative learning opportunities for the children of the district.

A second objective of the steering committee was to establish funding goals for the foundation. After studying the organizational structure and funding goals of other foundations the steering committee proposed that the foundation when established, create an endowment fund similar to those found at most colleges and universities. The plan was formulated to try to create a substantial endowment fund as quickly as possible. The idea was to capitalize on the initial enthusiasm for the concept, and to generate a fund where grants could be awarded by using only the interest earned on the funds in the endowment account. The steering committee recommended a goal of \$500,000 for the endowment account. They also established a three year target period in which to achieve

⁴ Rosalie Jones, President of Batavia School Board, interview by author, 10 November 1993, Batavia, Illinois, tape recording.

this amount.

A third objective of the steering committee was to develop a plan to obtain the necessary funds for the endowment account. In doing this the committee also accomplished additional objectives. The committee concluded that it was very important to introduce the formation of the foundation in a way that would have maximum impact and generate the greatest amount of positive publicity as possible. The steering committee concluded that it wanted to have the foundation in place, and as well publicized throughout the community as possible, before they launched their major campaign to solicit donations. To accomplish this the steering committee recommended that the foundation prepare high quality, professional publicity materials and solicitation brochures before the funding campaign was officially launched. By using skillful and persistent requests to individuals and businesses in the community the committee was able to get materials of the highest quality designed and printed free of charge for the foundation. One of these items was a brochure which explained the mission of the foundation and listed several categories of gift giving which the committee had developed. This brochure was mailed to all residents of the district when the foundation was launched. This brochure included the goals of the foundation. It also gave examples of how the interest on the endowment fund could be used to enrich the learning experience for the students. This approach helped give instant credibility to the organization throughout the community.

The steering committee also recommended that the foundation create a speaker's bureau. This bureau would be made up of members of the foundation's board of trustees. These individuals would make the effort to contact organizations and clubs throughout the community. The members would try to arrange to speak at a meeting of the club or organization to inform them of the new foundation and give the reasons and for its existence. Many of the members of the steering committee became an active part of the speaker's bureau. The steering committee also identified a number of businesses and corporations in the community and surrounding area that they felt would be receptive to the idea of donating to this newly formed organization. These organizations were contacted and visited before the foundation received official tax exempt status.

The foundation was officially launched in September of 1986. It began with a seven member board of trustees. The majority of the initial board had been members of the steering committee. The foundation was chartered as an organization completely independent from the Batavia Board of Education. It was also designed to have a close

working relationship with the board of education and the district administration. This was done in a number of ways. First the by-laws created a permanent ex-officio position on the board of directors for the superintendent of schools or a designee appointed by the superintendent. The by-laws also established that a member of the board of education would also serve on the foundation board. The by-laws were written so that decisions on funding initiatives would be made by a majority vote of the foundation board, but still required to be accepted by the board of education. In this way the foundation was able to maintain its independence, but could not implement any program in the schools which would be contrary to the policies or plans of the board of education. The Batavia Foundation for Educational Excellence was developed as an independent organization designed to work closely with both the board of education and the administration of District 101.

Foundation Activities and Use of Funds

The Batavia Foundation For Educational Excellence began its official fund raising campaign with a high profile luncheon in October, 1986. The luncheon was held at Furnas Electric Company in Batavia. The luncheon received extensive publicity in the local newspapers for two reasons. First the guest speaker at the luncheon was Gary Fencik who was at the time an all-pro safety for the NFL champion Chicago Bears. Secondly, it was at this initial luncheon that the Furnas Company made a \$50,000 three year pledge to the new foundation. This combination gave the foundation an excellent initial start both in terms of publicity and fund raising. In addition to the one large pledge there were also numerous contributions made by individuals and businesses from throughout the community. The groundwork for these donations had been done by members of the steering committee and through the work of the speaker's bureau.

At the initial luncheon it was announced that "the goal is to reach \$500,000 in three years so that the foundation will have an income of between \$35,000 and \$45,000 per year to supplement the educational programs in the Batavia schools."⁵ It was also announced that individuals, families, and businesses who contributed to the foundation during the first year would receive permanent recognition in the district. This plan proved also very successful with "more than 230 wooden plaques recognizing the efforts of

⁵ Joseph Tremi, "Fencik Urges Commitment," Batavia Chronicle, 15 October 1986, p. 1.

individuals, families and businesses who raised about \$181,500 for Batavia schools displayed in the main entrance of Batavia High School.”⁶ In addition to the nearly \$200,000 raised or pledged to the endowment fund the foundation also received stock and some restricted funds earmarked for scholarships during its initial year. From the interest earned in the first year the foundation was able to fund a number of grants in 1987 and 1988. One of these was the development of a computer research center in one of the elementary schools. The foundation also sponsored a first grade teacher training program and purchased a collection of over one hundred reproductions of famous paintings to enrich the art curriculum in each of the elementary schools.

The foundation has consistently maintained its practice of awarding grants only from interest earned. Although the foundation, by the start of the 1993-94 school year, had not yet achieved its goal of having \$500,000 in the endowment fund, the account had grown steadily. By early 1993 the endowment fund had over \$300,000 and was still growing. The Batavia foundation had awarded over \$96,000 in grants between 1986 and the end of the 1992 school year.

These funds were used in a variety of ways. In the 1988-89 school year the foundation funded a grant which enabled over thirty teachers in kindergarten through grade two to be trained in the “Math Their Way” program. This program was then introduced to the children to supplement the math curriculum of the district at these grade levels. In the same year the foundation funded a grant which created a math computer lab at the Batavia Junior High School.

In the 1989-90 school year the “not-for-profit foundation announced it was providing \$15,450 to fund three out of ten proposals by teachers to enhance learning in the district.”⁷ The three grants all advanced technology in the district. The first went to fund computers and software in the Junior High science department. The materials allowed the department to expand its activities of simulating complex and dangerous experiments on the computer. The grant enabled the department to expand its collection of simulated experiments and reduce the ratio of students using the computers to perform the experiments from five to three. The second grant funded the purchase of videodisc

⁶ Eileen Ambrose, “Foundation Honors Education Donors,” Beacon News, 17 August 1988,

p. 6.

⁷ Tom Hernandez, “Batavia Group Funds Programs,” Beacon News, 6 July 1989, p. 7.

equipment for the science department at the high school. The final grant went to the math department at the high school. The funds were used to purchase computers and equipment which allowed the instructors to display the information from the computer screen onto an overhead projector which could be easily seen by all students in the class.

In the 1990-91 school year the foundation initiated a mini-grant program for teachers in the schools. Five mini-grants were awarded. They each averaged about \$600. The mini-grant program was funded by an anonymous donation to the foundation specifically for that purpose. This money was separate from the endowment. The five grants were awarded to staff members at one elementary school, the junior high school, and the high school. The funds were used to assist both special education and regular education students in a variety of subject areas. The mini-grants also purchased books and equipment, paid for field trips, and brought guest speakers into the district.

On interest earned from the endowment fund the foundation initiated a workshop on grant writing open to all staff members in the district. The workshop was designed to help staff members learn the techniques of grant writing on a general level, and also help them with grant writing to the Batavia Foundation for Educational Excellence. The foundation also provided funds to launch a whole language reading program at one of the elementary schools in the district. The grants also provided in-service training, professional consultation, and evaluation materials for new programs initiated at various schools in the district.

During the 1991-1992 school year the foundation was able to continue the mini-grant program by receiving additional funds earmarked for that purpose. The foundation also approved grants to implement a new writing program at the high school and funded a program for the Young Authors' Committee which brought a noted author of children's books to each of the elementary schools to discuss the craft of writing and to share information about how ideas for writing books was obtained.

The foundation also launched a new major project during the school year. With extensive backing from corporations and businesses the foundation initiated a three year program called Celebration of the Arts. This week long program was designed to involve all students in the Batavia Public Schools. Activities during the week included "clinics, demonstrations and class instruction designed to expose students to all five art forms:

visual arts, drama, dance, instrumental and vocal music.”⁸ The idea for the program came from a discussion at a board of education meeting of new state requirements in the fine arts. The academic aspect of the program was developed by teachers and administrators in the district. The foundation board assumed the responsibility for financing the project and coordinating the search for artists from the various fine arts fields to participate. The foundation involved parents and community members by inviting them to participate in a fine arts workshop on a Saturday in the spring of 1992. The project was planned to continue through the 1993-94 school year and would be reevaluated at that time. The Celebration of the Arts program was a major shift in emphasis for the foundation. It was the first major project with multi-year funding to be undertaken by the foundation. To insure its financial success the foundation’s board of directors launched a major fund raising campaign with the goal of having the majority of the festival underwritten by corporate donors.

This campaign was very successful. A number of businesses and corporations both in Batavia and in surrounding communities made three year pledges to support the program. In addition, a number of individuals interested in the arts agreed to help underwrite the cost of the project. The fund raising was so successful, that in the 1992-93 school year “the entire \$30,000 cost of the project was funded through donations specifically earmarked for that purpose.”⁹ The funds earned in interest from the endowment account were used to fund other projects such as a journalism darkroom and equipment which introduced students to robotics and computer aided drawing at the high schools.

Building Partnerships

The Batavia Foundation for Educational Excellence has been a model for a number of other foundations that have been created in the area west of Chicago. It has also provided information to interested school boards and individuals in other parts of the state. There were three primary factors which have contributed to the success of the foundation. The first has been the continued commitment of the community to the public schools.

From the very start the greatest support for the Batavia foundation has come from both the business community and from individuals and families who do not presently

⁸ “Celebration of the Arts Week” Newsline Spring, 1992 p. 3.

⁹ Rosalie Jones interview.

have children attending the public schools of Batavia. The first fund raising campaign was started in the fall of 1986. Many of the contributors listed on the plaques at Batavia High School were businesses. There were also many individuals who were no longer connected to the schools through their children. In addition, many of the original contributors were still listed as current contributors in each annual newsletter published by the foundation. This newsletter, which is sent to each resident of the school district, lists both the activities of the foundation during the previous year and the donors for the previous year by category of donation. The Batavia Foundation also sponsors an annual thank you event for all of the donors. The foundation board considers this very important. A committee plans the activity which includes a reception, display of projects funded by the foundation, and quite often some type of special performance by students in a band or orchestra. This recognition of donors and the effort to keep all members of the community informed of the activities and accomplishments of the foundation has been a crucial factor in its success.

The second factor that has been important to the success of the organization has been the commitment to remain true to the original mission of building an endowment fund where the grants would be awarded using only interest from this fund and other sources. Even though a significant number of educational foundations in Illinois have established endowment funds, Batavia has been nearly unique in its effort to create a fund from the start where only interest would be used to cover the expenses of the grants. There have been pluses and minuses with this policy. The low interest rates of the late 1980's and early 1990's gave the foundation board less money than it had hoped to have to distribute for grants.

A plus has been that this approach has made the solicitation of donations easier according to members of the foundation board. Many businesses and individuals have made contributions because they liked the fact that their funds would not be spent on a one time activity. They gave knowing that their contributions would earn interest each year, and that by spending only the money earned in interest, their donation would be assisting the children of Batavia in perpetuity.

By committing to only spending the interest on the endowment fund the foundation board has also found that people have been willing to create memorials for loved ones who have died. This became more common for the Batavia foundation in the early 1990's with substantial contributions made in memory of the father of the current superintendent

and the husband of the individual who has been the guiding force of the foundation since its inception.

The foundation board's commitment to only spending interest has also had an impact on the funding of special projects. When the initial planning for the Celebration of the Arts festival was completed, it was evident that the interest from the endowment fund would not cover the costs. The board of directors went to individuals, businesses, and corporations for this additional funding. Many of these people and organizations had already made substantial contributions to the endowment fund. Yet, when this new idea was proposed to them as a special three year pledge, they were enthusiastic contributors. Many of the "Guarantors," organizations which had contributed in excess of \$3,000 to the endowment fund, were also the ones who made significant pledges to underwrite the Celebration of the Arts. Both individuals and business leaders saw their pledge to the Celebration of the Arts festival as something different than their donation to the endowment. This clear separation in the use of funds made it relatively easy for the foundation to fully underwrite the substantial cost of the fine arts festival while still having the interest from the endowment fund available to fund other grant applications.

The third, and primary factor in the success of the Batavia Foundation for Educational Excellence has been the leadership of the organization. When the steering committee was formed in 1985 the individuals chosen were people who "believed in what they were doing, and were willing to make a long term commitment to the foundation."¹⁰ According to Rosalie Jones who was a member of the initial steering committee "... five of the original seven people are still very active with the foundation."¹¹ This statement was made eight years after the steering committee was organized, and none of these individuals had indicated any interest in discontinuing their efforts for the foundation.

Another key factor has been the constant and consistent support by the administration of District 101. The superintendent who had the original idea for the foundation left the district before the foundation was launched. She moved to a position in a neighboring district. Yet, as a resident of the community, her commitment remained strong. She was appointed to the foundation board and served as a member through the 1989-90 school year.

Her successor as superintendent has also been very active with the foundation. As

¹⁰ Ibid.

¹¹ Ibid.

an ex-officio member of the board the superintendent has taken the position seriously. He has attended nearly every monthly meeting, and has sent another administrator to the meetings which he has been unable to attend. The superintendent has also participated actively with members of the foundation board in planning fund raising activities. He has been extremely helpful in making sure that principals and staff members have been available when the foundation board members had questions regarding grant applications. The superintendent has also made sure that the communications editor for the district has worked closely with the foundation board so that foundation activities and accomplishments have been included in publicity generated from the school district in the local newspapers and in the annual report of the schools sent to all residents.

The success of the foundation has also come through the careful choice of people for the foundation's board of directors. Unlike many other foundations the one in Batavia has not relied on large numbers of volunteers from the community. Their focus has not been on large fund raising events that require many people and untold hours of volunteer effort. The foundation has relied primarily on solicited donations obtained through the mail and by individual contact.

When the steering committee was chosen a cross section of the community was selected. As membership has changed, the idea of maintaining a cross section has remained. Membership on the board has ranged from seven to thirteen. Membership has always included individuals who represented the business community, senior citizens, parents with children in the schools, and other individuals who were not directly connected to the public schools of Batavia. They all had one thing in common. They were committed to the mission of the foundation and were willing to do all of the tasks necessary to make the foundation successful. The foundation board did not nominate any "big name" individuals to the board for the purpose of name recognition as has been recommended by some professional consultants, and which many other educational foundations have done. The foundation board believed that its initial donor campaign, frequent mailings, extensive publicity in district mailings and through the local press, as well as its annual newsletter has provided sufficient name recognition for the foundation in the community.

The foundation board has concentrated on appointing members who were willing to do the necessary work to ensure the success of the foundation. This has included numerous talks to organizations in the community through the speaker's bureau and many visits to corporations, businesses, and individuals in the community and surrounding area

soliciting donations. The foundation board has from the start, recruited members who were willing and able to devote many hours per month to the organization. The foundation board has also chosen individuals who have expressed a willingness to solicit donations on a personal basis.

A final factor contributing to the success has been the close affiliation with the District 101 board of education. Although the Batavia Foundation for Educational Excellence is a totally independent organization it has worked closely with the board of education. Many individuals have served as members of each organization since 1986. The board of education has been frequently updated on the activities of the foundation while the foundation has been kept informed of the goals and plans of the board each year. This has been accomplished through the active participation of the superintendent and having a member of the board of education serve on the foundation board. This partnership has contributed significantly to the success of the fund raising efforts of the foundation. The foundation has never been perceived as a threat by any organization affiliated with the schools. From the very start the foundation has been viewed in the community as a creative way to enrich a high quality school system. The rapid growth in the student population and the tax caps in the county have made it somewhat easier for foundation board members to convince potential donors that the need for contributions is a legitimate one in Batavia.

Summary

"Imitation is the sincerest form of flattery."

When the Batavia foundation began, Rosalie Jones stated "there were maybe six or eight foundations statewide that we knew of. Now there are at least thirty-five to forty that I have contact with."¹² The Batavia Foundation for Educational Excellence became a prototype for many other foundations established by school districts in the Fox Valley region and in other parts of the state.

When asked why the Batavia foundation has been so successful two reasons were constantly given by individuals who work with the foundation. The first was the attitude of the community toward the public schools of District 101. Many residents are very proud of their schools and are willing to do whatever is necessary to keep the schools of

¹² Tom Hernandez, "School Foundations Making the Grade" Aurora Beacon News, 27 August 1989 p. 10.

the highest quality. The second was the tremendous leadership that the foundation has had since its very beginning. Rosalie Jones described the foundation board in the following way. "They're the movers and shakers of this community. They are people with vision and commitment and they're not afraid to roll up their sleeves and work."¹³

This vision and commitment has been seen in many ways. From the high quality public relations material produced by the foundation to the formal orientation program for new foundation board members the Batavia foundation is unique. The foundation board developed a clear plan of action in 1985. Under the quality leadership of Rosalie Jones who has served as both chairperson of the foundation board and as president of the board of education, and others, this plan has been carefully followed for the eight years of the foundation's existence. The original goal of building a \$500,000 endowment fund has not yet been met, but each year the total gets closer to that amount. Through the hard work of the speaker's bureau and the publicity committee the Batavia foundation has become a very well known organization in the community.

In addition to the endowment fund the Batavia foundation has been able to establish four other funds that provide "extras" ranging from mini-grants to partial college scholarships. The foundation has also been able to employ a part time secretary who has assumed the responsibility for doing all of the correspondence for the foundation. This has allowed each of the board members more time to devote to the raising of funds and spreading the word about the foundation to the constant stream of newcomers to the district. In addition to the speaker's bureau the foundation has also begun using the local cable television station to publicize its activities and fund raising efforts. The leadership of the foundation board is constantly looking for innovative ways to raise funds and assist the children in the Batavia public schools. Their enthusiasm and energy are generated by the innovative programs they have seen implemented in the schools, and from the tremendous support they have received for their efforts. As Rosalie Jones stated:

"The community has overwhelmingly supported us. They feel we've been a good steward of the funds we've been entrusted with, and we have the 100% support of the Board of Education ... we're making a difference in the lives of the kids and that's what we're all about."¹⁴

¹³ Deborah Long, " Foundation Helping Fund the Future" The Republican, 30 August 1990, p. 5.

¹⁴ Ibid.

FLORA

Background

The Flora Academic Foundation serves Unit School District #35. The district covers parts of Clay and Wayne counties. These are two small rural counties located in the southeastern part of Illinois. The district had a student population during the 1992-93 school year of slightly under 1,500 students. These students were housed in a kindergarten center, three elementary schools, and a junior and senior high school. Five of the six schools were located in the town of Flora. The other school was located in the village of Xenia which is eight miles north of Flora.

The majority of students live in Flora. Flora is the seat of Clay county. It has a population of just over 5,000 people. The entire population of the county is only slightly over 7,300 people. The district also draws students from the many farms in the region.

The area was settled in the middle of the nineteenth century. It was originally known for its farming and the many apple orchards that were located throughout the region. Today the area has maintained its predominantly rural nature, but there has also been a successful effort to attract both small and mid-sized industries into the region.

Unit District #35 does not serve a wealthy populace. The mean value of owner occupied homes in 1990 was \$35,600.¹ The 1990 average household income was \$23,506.² This is well below the state average in both categories. Unemployment and under employment are also common in the region. A number of new factory jobs have been created, but many of the starting salaries are at, or only slightly above the minimum wage. The economic hardships of the community can further be seen in the fact that 38.3% of all households in the area had an annual income of less than \$15,000 in 1990.³

In the 1980's District #35 was facing many of the same problems that school districts throughout the state were facing. Enrollment had declined. The cost of educating the students was increasing while the amount of funds available was decreasing. This forced the school district to make cuts in both personnel and programs offered to the students. The dollars spent on students in Clay County were already very low. These

¹ 1990 Census of Population and Housing-Block Statistics, #160 Flora.

² 1990 Neighborhood Demographics Report, Zip Code 62839 Clay County, Illinois
Copyright CACI Arlington, Virginia.

³ Ibid.

cuts made the situation worse. Statistics on per pupil spending reflected this fact. The expenses per pupil in 1990 were on \$3,048. This ranked Clay seventy-fourth out of the one hundred two counties in the state. It spent only 56% of the amount spent per pupil in Cook County, the highest ranking county.

It was in this environment that the Flora Academic Foundation was founded in 1985. It began when the superintendent of schools invited fifty citizens from throughout the district to discuss the educational future of the system. These fifty people were invited because of their interest in both education and the community. About thirty-five citizens attended the first meeting. The group consisted of a mix of school parents, business owners and professional people from throughout the district. The group met with the superintendent of schools and one guest. The guest was the superintendent of schools from Robinson, a community about forty miles northeast of Flora. The superintendent in Robinson was a friend of Floyd Henson, the District 35 superintendent. The Robinson district had begun organizing a nonprofit educational foundation to assist their high school during the previous year. The superintendent explained the concept of a foundation, and why one was being formed to assist the high school in Robinson. The idea was well received by the persons attending the meeting.

From the initial group of thirty-five a steering committee of ten individuals was picked by the superintendent. The steering committee was chosen very carefully. Mr. Henson believed that the organization needed to establish credibility as quickly as possible. To accomplish this he picked individuals who were both well known and well respected in the area. He also chose these individuals because they were committed to quality education and were willing to do the necessary work to get the organization going. The steering committee had among its members an attorney, two bankers, a physician, and individuals connected with both the newspaper and radio station in the area.

The committee met for approximately a year developing the by-laws and determining the direction the foundation would take. The by-laws were modeled on the foundation in Robinson and those of other nonprofit organizations serving hospitals, schools and other organizations with which the members of the steering committee were familiar. The committee realized that financial restraints were prohibiting teachers from offering opportunities to students which had been available in the past. The focus of the steering committee was to create an organization which would give staff the chance to restore some of these activities. The committee also hoped that the new organization would have

funds available to offer new enrichment opportunities for both the staff and the children of the district.

One of the first actions taken by the steering committee was to survey all the teachers and administrators in the district. Each staff member was given a brief outline of what the purpose and goals of the Flora Academic Foundation were going to be. They were then asked for input into the type of activities that the foundation should fund. This survey not only helped the foundation steering committee get ideas for direction of the organization, but it also made all teachers and administrators in the district aware that this new organization was in the process of development.

Once the work of the steering committee was completed and the tax exempt status was obtained an appeal letter was sent to residents and businesses in the district. The letter stated

Our school district has had to eliminate most non-curriculum expenditures due to lower tax revenues. A group of parents and interested citizens have organized a foundation to provide enhancement and academic enrichment for School District #35.⁴

The letter further stated that budget constraints were essential to the continued solvency of the district. "However, these financial and travel restrictions place the museums, theaters, archeological excavations, and music festivals in St. Louis and Chicago outside our limits."⁵ The letter stated that these social and educational experiences had traditionally been part of the curriculum of the district which many residents of the district had enjoyed when they were students in the school system. The appeal was designed so that money could be raised which would be invested. The plan was that the income from the investments would be spent each year for academic oriented programs that would benefit students throughout the district.

The initial appeal met with a good deal of success. Money was raised through personal contact with members of both the business and manufacturing communities. A foundation membership program was established for parents with very modest annual dues. Money was also raised by involving students at the high school level in various fund raising programs. There was also an appeal for special gifts, bequests and memorials. The success of this initial drive resulted in the creation of the foundation

⁴ Unpublished letter to residents and businesses of District #35 Clay County, September 1986.

⁵ Ibid.

memorial wall at the high school where all donors who contributed in excess of \$500 were recognized with a special plaque. The Flora Academic Foundation was established and its mission and direction were set.

Organization and Leadership

From the start the Flora Academic Foundation established its independence, yet has stayed closely linked to the District #35 school board. The school board did not provide funds to start the foundation. The money needed was raised by the steering committee and the original members of the foundation board. The foundation was chartered as "a wholly non- profit organization under the auspices of the Flora Community Unit School District #35."⁶

The objectives of the foundation were very clearly stated in the by-laws. The first objective was to develop a sense of pride in the educational programs of the district among the people of the communities that the district serves. An objective was also to provide activities for students that could be classified as special learning experiences. The foundation also was committed to establishing a system of support for students wanting to work on advanced academic projects. Another important purpose of the foundation as stated in section three of the by-laws was "to enhance communication between the school and the community."⁷

One way to accomplish these objectives was by establishing an annual membership program. The by-laws originally created four categories of membership each with annual dues. The original categories and fees were: individual \$2.00, family \$5.00, organization \$25.00, and business \$50.00. The annual membership fees have been increased slightly by the foundation board periodically over the past seven years. Membership has grown steadily over the years, and the fees have provided a steady source of income for the foundation since its inception.

The foundation has been operated by a board of directors. There are presently eighteen members on this board. The District #35 board of education selected the original members of the board of directors. Unlike many other foundations which act totally independent from the school board, the Flora Foundation stated in its by-laws that the replacement of directors would be done through the recommendation of the foundation

⁶ Flora School District Academic Foundation, Inc. By-Laws Article I Section 2.

⁷ Ibid. Section 3.

directors to the board of education. The final approval or disapproval of new foundation board members rests with the school board. In an interview with Mr. Floyd Henson, the former superintendent who helped organize the original foundation, he stated that this process has evolved into a mere formality for the school board. He did state that the concept is a good one because it is a "good thing to have this link with the board of education."⁸

Directors of the foundation board are chosen for a term of three years. The board was structured so that one-third of the board's term ends each year. New board members are nominated by a two-thirds majority vote of directors present. Four directors are elected by board members to office on an annual basis. These are the traditional offices of president, vice-president, secretary and treasurer. The Flora Foundation has also had a member of the teaching staff of the district on the foundation board since its beginning. Both Mr. Henson who is now a member of the foundation board and Mr. Gerald Herring, the current superintendent of schools, believe that this is a positive feature. They both believed that having a staff member on the board has enabled the staff and foundation board to stay in close communication over the years. One stipulation which has been made is that the staff member does not serve on the committee which determines how funds are spent.

The foundation board consists of six committees. Three of these are devoted to the fund raising activities that the foundation conducts. The other three are membership, projects and finance. One of the fund raising committees has the responsibility of getting workers from the membership at large. This is very important since a number of activities that the foundation sponsors require a large number of volunteers. These six committees are the driving force of the foundation. The head of each committee is chosen by the board of directors. It was also discovered in examining the records that membership on each committee was divided so that all geographic areas of the district were represented to the maximum extent possible. When the researcher attended a foundation board meeting it was obvious from the discussion concerning the replacements for both board and committee members that age, gender and geographic location of the potential candidates were important considerations. It was very important to the foundation board that their organization represent all segments of the population in the communities and rural

⁸ Mr. Floyd Henson, Former Superintendent of Schools District #35, interview by author, 2 April 1993, tape recording.

areas that the district serves.

Foundation Activities and Use of Funds

At the initial meeting when the idea of an educational foundation was first discussed the need to focus on academic enrichment was given top priority. The need was obvious and both parents and other citizens in the community were willing to help. "The people are eager to jump on things for education. They got a little tired of all the money drives going to the band or athletics, and mostly athletics."⁹ In the early and middle 1980's, as the financing of schools became more difficult both academic and athletic programs had to be cut. The first drive for additional funds made in the community was devoted to the athletic programs. This area of emphasis was very common both in Illinois and in other parts of the country. When programs were in danger of being cut the first ones that usually received attention from the media and by booster groups were the athletic teams. This was usually followed by attention directed toward band and other music programs in the district. The loss of money for field trips, manipulatives in the classroom, the sponsorship of academic clubs and other enrichments usually was seldom noticed. This was different in District 35. "The people wanted some attention given to academics."¹⁰

The Flora Academic Foundation made these items its primary target. The loss of these items were what the foundation wanted the residents of the district to notice. In its initial appeal letter the foundation gave specifics of what it wanted to do to restore, improve, and enrich academics in the district. The focus of the organization was also conveyed in the choice of its name. The original founders believed that it was very important that the word academic be part of the name. Athletics had played a very important part of community life in District #35. The foundation decided to play upon this interest by focusing on academic achievements using the same format that had been used to reward students for athletic accomplishments. The foundation wanted to make sure that although their activities may be similar to athletic booster groups, the purpose was for academic enrichment only.

The initial fund raising drive enabled the foundation to get its activities started. In addition to providing funds for field trips and assemblies the foundation began the practice

⁹ Floyd Henson interview.

¹⁰ Mr. Gerald Herring, Superintendent of Schools, interview by author, 3 April 1993, tape recording.

of recognizing and honoring students for academic achievements. In 1987 the foundation began holding annual dinners where students at the high school received an academic letter the same size as a major athletic letter for making the honor roll in three consecutive quarters. Students who had already earned the academic letter in a previous year were awarded gold bars for the letter to indicate the number of times they had earned the award. This annual award dinner which also recognized the accomplishments of retiring members of the foundation board has become a major event in the community. In the past few years the foundation board of directors has also used the event to recognize alumni of the school district or well known personalities in the area. This has resulted in crowds filling the high school gym where the event is held. It has also helped increase the recognition of the academic achievements of the high school students and raised the awareness of the foundation throughout the district. A difficulty for the success of this program has been the pressure placed on the foundation to obtain donations of food and other items each year. The foundation has maintained its policy of not charging for the dinner. The purpose has been to recognize residents for their support.

The focus on academic achievement by the foundation has also been seen in a number of other ways. The foundation has adopted the motto "Your Academic Dollars at Work." This has appeared on nearly all publicity released by the foundation. It has also been visible in the photos of straight "A" students which have appeared in the local paper each quarter. Each of these photos appeared in an ad for the foundation sponsored by a local business or civic organization. The emphasis on academic achievement has also been seen by examining the list of expenditures made by the foundation each year. Although the lists contain many of the same type of materials found in the expenditures of other foundations examined in the case studies there was also a noticeable emphasis of expenditures on academic competitions. Funds have been expended every year for materials, transportation and fees for academic competitions. These range from science fairs held in the elementary schools of the district to trips for students to compete in spelling bees, geography bees, the Math and Science Olympiad, the Knowledge Master Open, and many other events in various parts of the state.

Of all of these academic competitions the pride of the Flora Academic Foundation has been the growth and success of the Scholastic Bowl Teams. The foundation helps sponsor both variety and junior varsity teams at the high school which compete with teams from other schools throughout the southern part of the state in numerous academic

competitions. Members of the foundation have worked very hard to see that the efforts and accomplishments of these students are recognized frequently. The annual reports and Awards Banquet program contain pictures of team members. In addition, the local newspaper features articles on the academic competitions and gives the Scholastic Bowl teams the same type of coverage the high school football and basketball teams are afforded.

The single greatest expenditure made by the foundation during its first seven years of operation was also devoted to academic improvement. It was the installation of a satellite education system at the high school. The satellite dish and other equipment cost over \$16,000. The system installed in September, 1989 has enabled the students at the high school to take advanced placement classes in foreign languages and other disciplines from Southern Illinois and other universities. In addition to installing the equipment, the foundation has covered the tuition costs of special classes and individuals using this system. This has enabled students to take courses in Japanese and Advanced Placement U.S. Government from universities in a way that allowed the students to interact directly with their instructors.

Building Partnerships

The Flora Academic Foundation like most other foundations began rather slowly. Started in 1985, it is one of the oldest nonprofit foundations serving public school districts in Illinois. The year spent organizing the foundation and doing the necessary legal work for incorporation gave the steering committee time to develop a clear focus and mission. By carefully choosing the members of the steering committee to represent a cross section of the district, the superintendent, Mr. Henson, laid the groundwork for a broad base of support. The initial campaign for funds appealed to restore items that had been lost because of financial factors that appeared to have been beyond the control of the school district. This appeal was successful. The foundation board used the initial money raised as they promised they would. This established a partnership between the foundation and the original contributors. With the help of good publicity from the local newspaper and coverage on the local radio station the Flora Academic Foundation quickly gained recognition throughout the community. By having selected representatives from both the newspaper and radio station for the initial steering committee the foundation built partnerships with the media that have remained strong.

As mentioned previously, the Flora Academic Foundation was created under the auspices of the board of education. Since its inception the board of directors has contained both a member of the school board and a member of the teaching staff of the district. The foundation has worked very closely with both the board of education, the administration, and the teaching staff of the district. The foundation has not developed an agenda of its own. The board of directors has always worked very closely with the superintendent. The superintendent is an ex-officio member of the foundation. Mr. Henson stated that "I, or the current superintendent, Mr. Herring, have attended every meeting of the foundation board since it began."¹¹ This has allowed the foundation to work very closely with the administration of the district in making sure that all activities are done in coordination whenever possible.

The foundation has raised money in four ways. The primary way has been through annual membership drives. The Flora Academic Foundation set the initial membership rates very low for individuals and families. The idea was to try to build membership. This strategy has worked very well. The 1991-1992 annual report listed over 240 contributors and assets of over \$38,000. Most of this has come through the membership fees and donations made each year.¹²

Summary

The Flora Academic Foundation has flourished. The organization has been able to establish itself as a very viable and important part of the community. The foundation has established a solid base of financial support through annual memberships, bequests and memorials as well as through a series of successful fund raising activities.

The foundation has also established itself as a service organization that goes beyond the day to day interests of the schools. In its seven years of operation the foundation has striven to develop pride in the educational programs of District #35 among the people of the communities it serves. This has been accomplished by remaining true to the initial goal of providing academic enrichment.

A key factor in the success of the foundation has also been the steady and strong leadership that has been provided for the foundation by both the former superintendent and the current superintendent of schools. Both of these men have worked very closely

¹¹ Floyd Henson interview.

¹² The Flora School District Academic Foundation, Annual Report 1991- 1992, p. 4.

with both the school board and members of the foundation board. They have shown the ability to motivate a large number of people to become actively involved as donors or volunteers with the foundation. This involvement has made the Flora Academic Foundation an organization which has become not only a symbol for the school district, but a unifying force for the communities that are served by the school district. The process of developing a successful foundation has not been difficult in Flora. As Gerald Herring, the current superintendent of schools stated, "The main reason that this has been successful was the selection of people to start it off in the first place. They have been people active in the community, and very much want it to succeed. They really work at it."¹³ This work has resulted in an organization which has brought about a very successful partnership between District #35 and many of the residents in Clay and Wayne counties. This partnership has resulted in "... having a lot of kids getting to do a lot of things they wouldn't do otherwise."¹⁴ The community has been very supportive of the foundation. In return, the foundation has attempted to show its appreciation to the residents of the school district. From the recognition dinner to the sponsorship of free musical concerts, the foundation has tried to show that everyone could benefit from supporting the foundation. Nowhere has this been more clearly shown than in the sponsorship of the "Appleknockers Arts and Science Festival."

This festival has been sponsored each year by the foundation to generate publicity for the organization, and as a way to bring all residents of the district together. The festival started as a small undertaking. In the past few years it has grown tremendously. The foundation has had over two hundred volunteers work with a variety of businesses and organizations to sponsor a weekend of events where both educational and recreational activities are presented. The event was not designed to raise money for the foundation. It has been another way the foundation has strengthened its partnership with the residents of Clay and Wayne counties. The success of this undertaking has been the growth of the festival each year. "Last year over 2,000 people attended the Appleknocker Festival, we expect to see even more next year."¹⁵ Like the festival the success of the Flora Academic Foundation continues to grow.

¹³ Gerald Herring interview.

¹⁴ Ibid.

¹⁵ Floyd Henson interview.

FREEPORT

Background

Freeport is the largest community in Stephenson County. Stephenson is a county of 50,000 people located in the northwest part of the state. Freeport is both the county seat and the center of activity for the region.

District #145 is a K-12 district that serves the city of Freeport and a number of small communities that surround the city. Approximately 90% of the students in the district reside in the city of Freeport. Statistics from the 1990 census indicated that the population of Freeport was slightly under 26,000. The community is somewhat diverse with a racial makeup of 87% white, 12% African-American, and 1% Asian and Hispanic.

The school district had a 1992-1993 enrollment of 4,973 students. Eighty percent of the students were white, 18% African-American, and 2% Asian or Hispanic. Nearly 30% of the student population came from households that were classified as low income.¹ The 1991-1992 per pupil operating expense for the district was \$3,837. This was over a thousand dollars below the state average of \$5,066. Both the pupil-teacher and pupil-administrator ratio were significantly higher than the state average.²

The students are served by an experienced teaching and administrative staff. The average years of teaching experience for the district is 17.8. Over 62% of the teaching staff have a Master's degree. The salaries paid to both teachers and administrators in the district were between \$3,000 to \$8,000 below the state average.³

The educational history of Stephenson County and the city of Freeport is a very long one. The first school in the county was started in 1834. In 1836 a teacher was hired for the sum of \$25.00 a month. According to Addison Fulwider in his History of Stephenson County the man was "not a reliable character."⁴ He concentrated on giving the children the rudiments of the plain three R's and "later developed a penchant for stealing horses. He kept this up till 1838 when he was caught and sent to the state prison at Alton."⁵

The first school within the city of Freeport was started in 1837. It was a subscription

¹ Freeport School District Newsletter, February 1993, vol. 2., p. 3.

² Ibid.

³ Ibid.

⁴ Addison L. Fulwider, History of Stephenson County (Chicago: S.J. Clarke Publishing Company, 1910), p. 174.

⁵ Ibid.

school located in a fourteen by ten foot log cabin and run by Mr. Nelson Martin. Mr. Martin had the reputation as a strong disciplinarian and established strict rules with the penalty being flogging. In 1839 Mr. Martin caught a student violating one of the rules. The boy received such a severe beating that all but two of the families removed their children from the school. "The teacher's income was thus largely cut off and in a short time the school stopped."⁶ A series of private schools were operated in various parts of the city between 1839 and 1843. In 1843 a wealthy businessman purchased a lot and helped build a school which was deeded to the township trustees of schools. This was the beginning of the Freeport Public School system. Having a building was only the first step in establishing an operating school system. In quoting a judge from Freeport in the middle of the nineteenth century the idea of establishing public tax supported schools was not well received. The Honorable T.J. Turner said "It required great labor to get up an interest in schools and education in Freeport. For many years all efforts to create a school fund by taxation were successfully resisted."⁷ Finally the supporters of a tax based school system prevailed and the Freeport Public School system began to grow.

As the population of the city began to increase in the last quarter of the nineteenth century, the public schools became firmly established. In 1880 the district served "sixteen hundred and seventy pupils in twenty-four schools with twenty-eight teachers employed by the board."⁸ Today the nearly 5,000 students are housed in nine buildings and instructed by a staff of over two hundred twenty full time employees.

The Freeport Community Public School Fund was organized in 1983. "It started when seven parents met with the idea of starting a hands on science museum in the district."⁹ These people were also concerned about dwindling school resources and the perception of a decline in the quality of education for the children in the district. Simultaneously, a group of business leaders had been meeting independently with the school superintendent to discuss the need to upgrade the physical facilities of the high school. One of the seven mothers who was working on the idea of the science museum had relatives in California. This was the same year that the effects of Proposition 13 were

⁶ Ibid.

⁷ Ibid. p. 176.

⁸ Michael.H. Tilden, History of Stephenson County (Chicago: Western Historical Company, 1880) p. 399.

⁹ Loretta Barney, President of Freeport Community Public School Fund, interview by author, 14 April 1993, tape recording.

being felt in California and the formation of nonprofit foundations were starting in large numbers there. The science museum committee in Freeport was intrigued by this concept. They requested information from a number of foundations in California and decided to model their organization after them. This was done after meeting with the superintendent to discuss the idea.

At the time of its formation many residents and business owners were concerned about the future of the school district. The district had not passed a tax increase for education since 1965. It attempted to pass one in 1984. This was narrowly defeated. Supporters of the public schools felt something had to be done. The seven member group joined with business leaders and members of the board of education. From these meetings the concept of the educational foundation was born. Members of both the parent group and the business leaders worked together to form a steering committee. It was this group that chose the foundation board.

Organization and Leadership

The original board for the foundation consisted of seven people. It was carefully chosen to represent a cross section of the community. The board contained professional people who had strong business contacts in the community. It also consisted of both parents active in the schools, and a senior citizen. The inclusion of a well known and active senior citizen was carefully considered since the community had a significant senior citizen population. Statistics indicated that 18.4% of Freeport residents were over 65 years of age.¹⁰ This was nearly 6% higher than the state average at the time. A large portion of the senior citizens were life long residents of Freeport and graduates of the public school system. The foundation board since its inception has always taken demographics into account and had significant representation from senior citizens in the community.

The original direction for the foundation came from the superintendent of schools. He had been in the district for just one year when he began meeting with business leaders and parents about the condition and future of the schools. His previous job had been in an Indiana district which had formed a similar nonprofit foundation. The by-laws of the foundation in Indiana and the ideas obtained from California were used as models for the creation of the Freeport by-laws.

¹⁰ Bureau of the Census , Census of Population and Housing, Block Statistics, 1990.

The foundation started slowly. Two problems delayed its development. The first was the work of an attorney who volunteered her services. The attorney had not had any previous experience with nonprofit organizations. Because of her lack of experience a considerable amount of time was lost in getting the necessary paper work completed and obtaining 501 C3 tax exempt status. The second problem was encountered with the name of the organization. When applying for tax exempt status "the state was very adamant that we choose something that wouldn't be confused with other groups such as the Freeport Education Association, or teachers' union. The state rejected our first choices."¹¹ The committee finally settled on the Freeport Community Public School Fund Inc.

The organization was officially recognized on December 23, 1983. The original board of directors consisted of ten members. Five of these members were designated as officers each having a one year term. The original by-laws allowed the organization to have between six and fifteen directors with each having an equal vote in decision making. The original board of directors were given one, two or three year terms. The length of their terms was determined by a draw of straws. Since its incorporation the by-laws have been amended, and the board of directors has expanded to twenty members in order to meet the demand of the increased activities of the organization.

Presently the board has eight standing committees. Each board member serves on at least two of these standing committees. New members are selected by a three person nominating committee appointed by the president. The nominating committee has been very careful in selecting potential candidates for the board. Each new board member is confirmed by a majority vote of the entire foundation board. In interviews with the current president, Loretta Barney, and the incoming president, Linda Alberts, two key points were made about the selection of directors. The first was that it is very important to select individuals who know the right people in the community. "The Board of Directors is a very aggressive group of people willing to go after donations from people who are willing, and able to make them."¹² It is also important to get people who are willing to make a real commitment to the mission of the foundation. The success in this respect can be seen in examining the list of the membership of the board of directors since its inception in 1983.

¹¹ Unpublished letter of the Freeport Community Public School Fund Inc. November 7, 1988, p. 2.

¹² Loretta Barney interview, 14 April 1993.

In the ten year history of the organization there has only been a total of thirty-six individuals who have served on the board. Two of the original board members are still serving, while four other current members have been on the board for at least seven years. These individuals have been an invaluable asset in helping the organization remain true to its initial purpose and mission. The somewhat recent expansion of the board to twenty members has also allowed the foundation to bring people with new ideas and enthusiasm to the board. Thirteen of the current board members have been appointed since 1990. The consistency of leadership has been reflected in the fact that three of the five current officers have been members of the foundation board for at least seven years. The foundation board has been able to blend experience with the enthusiasm of new members. This has been a very important component of their continued success.

The Freeport Community Public School Fund Inc. is totally independent from District 145. It was viewed as being extremely important from the start that the fund not be considered as a group started by the school board or superintendent as a reaction to the failure of the passage of the tax referendum. To help accomplish this the original group made the decision not to go to the school board for initial funding as has been done by other foundations. The start up funding was accomplished by getting financial support from the parent organizations at each school, and through local businesses. This independence was very important to the original board of directors and has remained important to those in leadership today. "Being perceived as being closely linked with the school district or superintendent can be a drawback."¹³

From the start the leadership of the Freeport Fund wished to establish its independence, but still maintain strong ties and communication with the school board, administration, and staff of District 145. One way this was accomplished was through the creation of ex-officio positions on the foundation board. Three ex-officio positions were created. The first was for the president of the Freeport Board of Education. Either the president of the board or a designee could serve as an ex-officio member of the foundation board. The second ex-officio position was for a member of the Freeport Education Association. The third was for the superintendent of schools or a designee. These three positions have served as an important link between the Freeport Fund and

¹³ Linda Alberts, Incoming President of Freeport Community Public School Fund Inc., interview by author, 12 April 1993, tape recording.

the individuals involved in the day to day operation of the Freeport Public Schools.

Foundation Activities and Use of Funds

The first donations from the Fund to the schools were given in 1984. These were for mathematics materials in the junior high school and science equipment for the high school. The total amount was less than \$1,500, but the organization was underway. The second year saw donations in the amount of slightly over \$4,000 go to a wider variety of projects at all levels from kindergarten through grade twelve. Since then the Freeport Community Public School Fund has grown rapidly. Through the 1991-1992 school year, the foundation had contributed over \$275,000 to the schools. These donations have been used for a multitude of purposes. They have ranged from the purchase of various remedial materials to the acquisition of equipment for advanced placement classes at the high school.

The purchases in the initial years focused primarily on needed instructional materials for the classrooms. These early donations were very important since budget cuts had made it difficult for administrators and classroom teachers to obtain items they felt would meet the necessary changes in the curriculum. The Public School Fund enabled teachers to obtain many materials for their classrooms. In the early years the Freeport Community Public School Fund struggled to raise the money to meet the requests made by the staff. As the Fund became more established this has been less difficult. "In the past five years the Fund has been able to fill nearly 98% of all approved grant requests."¹⁴

From the beginning the Freeport Community Public School Fund established a formal chain of command for funding requests. Requests from staff members go first to the building principal. The requests then are forwarded to the superintendent who presents them to the Fund board. This system enables the administrators to work with staff members to see that grant requests are meeting local needs and the curriculum goals of the district.

The Public School Fund has worked diligently to establish an identity in the community. Word of mouth advertising has worked very well. The relatively small size and somewhat isolated location of the community have contributed to this. The Fund has also attempted to get the message out through other means. They have passed foundation flyers out in all of the schools at open house and other events. The

¹⁴ Loretta Barney interview 14 April 1993.

foundation has also taken part in school related events such as the annual high school homecoming parade. The foundation has tried to make sure every school parent, and a majority of the residents of the district are aware of its existence.

Building Partnerships

A primary focus of the Fund since the beginning has been to establish a strong relationship with businesses in Freeport and the surrounding area. This has been a notable success. According to Loretta Barney, the president of the Fund, the organization has “dissolved a lot of chips that the business community had toward schools.”¹⁵ The Freeport Community Public School Fund has been a major source of positive public relations for District #145 within the business community. The Fund has a unique policy of having a team of board members visit each of the major businesses in the district every year. In addition to resulting in substantial contributions, this practice has enabled leaders in the business community to learn a great deal more about both the accomplishments and needs of the Freeport schools. This practice has improved the relationship between the district and the business community, and has resulted in a number of school-business partnerships. One of these partnerships recently resulted in a donation of \$51,000 from the business to the school district for the purchase of computer hardware and software for a new computer lab. This donation followed by a year the first donation from the same company of sixteen personal computers and twenty-five printers to the high school. Although this company decided to make these donations directly to the District #145 school board, the initial contact and planning was done by members of the Public School Fund.

Many of the largest businesses in Freeport are related to the insurance and computer industries. The Fund has focused on these industries. “There is a personal relationship with each corporation by some member of the foundation board.”¹⁶ The Freeport Public School Fund has made sure that the business leaders realize that they have a vested interest in the public school system. Due to the somewhat isolated location of the community the business leaders realize that their future labor pool will predominately come from graduates of the Freeport public schools. The foundation has done an excellent job of building partnerships with these computer and insurance businesses as well as with a

¹⁵ Ibid.

¹⁶ Linda Alberts interview.

number of other corporations headquartered in the community. This bond has enabled the foundation to do an annual appeal mailing to the businesses of the community which has resulted in substantial returns.

The other primary source of contributions for the foundation has been through the Dollars For Scholars program. This appeal has been directed to all residents of the school district. The publicity and solicitations made by the Fund emphasizes the fact that "The School Fund offers the opportunity to contribute directly to the education of Freeport children at a community level with local control."¹⁷ This program has also had very good success. The Freeport Community Public School Fund has built a solid base of annual contributors from various segments of the community. Among the most successful has been the senior citizens. By making sure this segment of the population has been well represented on the board, and by making efforts to have numerous ways in which gifts to the Fund can be made the foundation has built a sizable income base from the older citizens of the community.

The Freeport Fund accepts gifts in six categories. These are: individual contributions, corporate contributions, memorials, bequests, named gifts, and endowments. Senior citizens have been active individual contributors. They have also been a primary source of contributions through memorials for family members. The directors have worked with a number of individuals to have the fund named as a beneficiary in a will or life insurance policy. This has resulted in a number of bequests generating a significant amount of dollars.

A major reason the Freeport Fund has had continued and growing success has been the impressive formal and informal recognition of donors that has occurred since the start of the foundation. The annual mailing appeal includes a listing of all donors from the previous year in each category. The foundation also publishes an annual report which also lists all donors. In addition, the foundation board gives special recognition to contributors who have given for a certain number of consecutive years. The foundation keeps track of total contributions and gives recognition to individuals and families who have contributed \$1000 or more.

The Public School Fund also recognizes contributors with small pins and sweatshirts. Corporate contributors are given plaques that are displayed with pride at their offices or places of business. The fund also works with the school administration to give

¹⁷ Freeport Community Public School Fund, Annual Report 1992- 1993, p. 3.

contributors a complimentary lunch and tours of the schools where the results of their contributions can be seen in use.

The most notable area of recognition has been the follow-up by members of the fund board to contributors at every level. At a meeting of the fund board the corresponding secretary reported that she had written seven hundred fifty-two personal thank you notes to contributors since September of 1991.¹⁸ The president of the board reported that it was very common for contributors to receive two thank you notes, one from the corresponding secretary and another from the board member who has had a direct connection with the individual or business.¹⁹ This tremendous emphasis on recognition of contributors was cited by both board members and donors as a very important reason why the Freeport Fund has built a solid base of annual contributors.

Summary

The Freeport Community Public School Fund has established itself as one of the leading foundations in Illinois. As the foundation enters its second decade it has embarked on a major fund raising campaign. The emphasis in this new campaign is to develop a solid endowment fund. Working with The First National Bank of Freeport the Fund has set lofty goals. It has established a target of one million dollars for the endowment account. According to board member Gerald Stocks, "the endowment fund is aimed at making the Fund a saving organization, rather than only a spending organization."²⁰

Through memorial donations to the endowment account the Fund had approximately \$35,000 at the end of 1992. This money has been placed in an investment trust, money market funds, federal bonds and the common stock of a company headquartered in Freeport. This fund is being managed by a committee of five fund board members. Donations to this account are being handled free of charge by the First National Bank of Freeport.

The announcement of the endowment campaign has been well received. The event was covered by various members of the media. The Freeport Journal - Standard Reporter stated in an editorial, "The endowment set up to benefit the Freeport School

¹⁸ The Freeport Community Public School Fund Inc. Meeting, April 26, 1993.

¹⁹ Loretta Barney, interview by author, 12 April 1993, Freeport, Illinois.

²⁰ Cari Noga, "Freeport Education Supporters Set \$1 Million Fund Raising Goal," Freeport Journal-Standard Reporter 26 April 1993, p. 3.

District has powerful, long term thinkers behind it.”²¹ The editorial went on to say “we congratulate the Freeport Community Public School Fund for stepping forward and assuming the responsibility for raising money to provide for the challenges of tomorrow. And we encourage Freeport residents to consider a contribution to the endowment. It’s certain to be a solid, long-term investment in the future of our community.”²²

The fund has also made a concentrated effort to increase the amount of donations made through memorials and wills. Literature and photograph books about the fund have been placed in nearly every law office and trust department in the community. The fund has also placed similar literature in mortuaries. Board members believe that at least two recent memorials were designated because of individuals reading the literature in these locations.

Fund raising in Freeport remains a difficult task. The community is not a wealthy one. Statistics from the 1990 Neighborhood Demographics Report indicate that the average household income for the community was \$30,886.²³ This was considerably below the average for the state. The report also indicated that only 4% of the families had a household income in excess of \$75,000.²⁴ Less than 18% of the workers were engaged in occupations that were classified as executive or professional.²⁵ These statistics make the success of the Public School Fund and its goal of a \$1,000,000 endowment fund even more remarkable. Yet the spirit and enthusiasm of the foundation board coupled with the loyalty of the residents toward their community makes this goal seem very attainable.

The spirit of the Freeport Community Public School Fund board has been a key ingredient in its success. An enthusiastic spirit and wonderful camaraderie was evident at both formal meetings and during interviews of individual members. This spirit originated with the original group of seven women who came together with the purpose of creating a museum for the district. It has been cultivated through the careful selection of new members to the board. A challenge for the foundation will be to keep the present enthusiasm and spirit going. “Trying to find people as enthusiastic as the original

²¹ “District 145 Sets An Ambitious and Worthy Goal,” Freeport Journal-Standard Reporter 27 April 1993, p. 5.

²² Ibid.

²³ 1990 Neighborhood Demographics Report, Copyright CACI Arlington, Virginia.

²⁴ Ibid.

²⁵ Ibid.

members is becoming difficult."²⁶ One of the ways this enthusiasm has been maintained is through building an "esprit de corps" among board members. In several years the board has organized some type of social activity strictly for the board members and their spouses. One of the most successful of these has been a mini-golf outing followed by a party at one of the homes of a board member. This has been a very successful way of allowing board members to learn more about each other.

Another key factor which appears to indicate future success is the perception of the organization in the community. The Freeport Community Public School Fund has established a strong relationship with businesses and corporations in the community. It has also worked very hard to have a good relationship with parent organizations and other fund raising groups in the schools. Unlike nearly every other foundation the Freeport Fund has relied strictly on solicitations. It has not conducted any fund raising events. This has helped the Fund not to be perceived as a threat as many other foundations have done when they sponsored fund raisers which competed for the same dollars that parent organizations and booster clubs were trying to obtain.

By concentrating efforts in their first decade on materials for classrooms, and by making sure the funds have been distributed to benefit students at all levels, the Fund has also established a very good reputation with the district staff. As one of the founding members of the Fund who was currently the president of the board of education stated, "I am struck by the enthusiasm of the staff toward the work of the organization."²⁷

The Freeport Community Public School Fund has succeeded in a community that is definitely not one of the most wealthy in the state. The success has been due to a number of factors. The lack of funding for schools has been a problem in the community for a long time. Many citizens were ready and willing to assist. Through strong and able leadership, careful planning, and a great deal of hard work the Freeport Fund has established itself as one of the most successful nonprofit educational foundations serving public school districts in the state of Illinois. The endowment campaign with a goal of \$1,000,000 is the most ambitious of any foundation assisting public schools in the state. It would appear that the chances for its success are rather slim if only the size and economic status of the district are considered. Yet, when one considers the high quality and consistent leadership, the broad base of support the foundation has developed, and

²⁶ Loretta Barney interview, 12 April 1993.

²⁷ Freeport Community Public School Fund Meeting April 26, 1993.

the pride in the schools shown by the community the odds against success appear to be reduced considerably.

HOMewood-FLOSSMOOR

Background

The Homewood-Flossmoor High School Foundation was begun in 1984 to assist Homewood-Flossmoor High School District 233. The district consists of one school that serves slightly more than 2,000 students in grades 9-12. The district covers 11.5 square miles and has a population of approximately 45,000 people. The district primarily draws students from the two communities of Homewood and Flossmoor. It also draws students from parts of Chicago Heights, Glenwood, Hazel Crest, and Olympia Fields. All six of these communities are residential suburbs south of the city of Chicago.

The student population of the high school reflects the racial and ethnic diversity of the communities. It also reflects the tremendous economic diversity found in the communities that the district serves. Statistics from the 1992 Report Card to Parents indicated that the student population was 75% white, 17% black, 6% Asian/Pacific Islander, and 2% Hispanic.¹ The report card also highlighted the economic diversity of the residents of the district. The average family income of the six communities served by the district ranged from a low of \$32,310 in Chicago Heights to a high of \$111,736 in Olympia Fields.² This same diversity could also be seen in an analysis of the average housing values of these communities. The 1992 average property values in Chicago Heights and Hazel Crest were both under \$70,000. At the same time the average home values for Flossmoor and Olympia Fields were \$184,000 and \$214,000 respectively.³

The school describes itself as offering a college preparatory curriculum. The staff has also focused on seeing that the needs of each student are being met. Their success in this respect can be seen in a number of ways. One is the graduation rate. Between 1991 and 1993 the graduation rate ranged between 92% and 94%. This has placed the school 10%-15% above the state average in this category in each of these years. Statistics indicated that over 90% of the graduates attend post secondary schools. The academic success of the students was also be seen in the fact that the school has had between six and ten National Merit Semifinalists in each year between 1991 and 1993.

Another way that the school has attempted to meet the needs of each student has

¹ Homewood-Flossmoor Community High School, 1992 Report Card to Parents, p. 2.

² Ibid.p. 8.

³ Ibid.

been through a wide variety of extracurricular activities. There are over sixty clubs and organizations at the high school for students to join. In addition, the school sponsors twenty-three intramural programs which had over 1,800 participants during the 1991-1992 school year.⁴ In interscholastic athletics the school has done extremely well. Homewood-Flossmoor has won twelve state championships in a variety of sports. During the 1991-1992 school year four teams, two boys and two girls, each placed in the top four in the state in their respective sport.

These major accomplishments have come in a relatively short period of time. The school has only been in operation since 1959. Prior to that time the high school age students who resided in the area attended school in other districts. Although the village of Homewood was founded in 1893 the area that encompasses District 233 was composed primarily of small farms and open land until the early 1950's. When the older communities immediately south of the city of Chicago began to experience a shortage of large building sites the developers turned their attention to the extensive amount of open land in what was to become District 233. The 1950's and 1960's saw a tremendous influx of new families into the area. Many of the homes built in the area were aimed at first time buyers, but there was also an emphasis on custom homes in the communities near highway and commuter rail transportation to the city. This brought many affluent families into the district.

The Homewood-Flossmoor High School Foundation was founded in 1984. The original idea for the foundation came from a member of the board of education. The gentleman, Donald Kreger, was the owner of an investment firm. In his capacity of an investment advisor and fund manager he worked with a number of private endowment funds. He approached the superintendent and other members of the board of education with the idea of creating an endowment fund for Homewood-Flossmoor High School. He envisioned the fund to be similar to the private endowments he dealt with in his business. He also shared with the school board and administration his experiences working with a private high school on the far south side of Chicago in establishing its own foundation and endowment fund.

The District 233 board of education was supportive of the idea. It agreed to assist in the creation of the foundation. The board approved a loan of \$5,000 to the foundation to help the foundation become legally established and begin operation. The board also agreed to make an additional \$5,000 available to the foundation if it was needed. The

⁴ Ibid. p. 10.

second \$5,000 was never borrowed.

The original steering committee was composed of members of the school board and district administration. The paperwork was completed with the assistance of the legal firm which was employed by the school district. A problem encountered in organizing the foundation was the lack of similar models. The local community college, Prairie State, had begun a foundation. Members of the steering committee consulted with the originators of this foundation, as well as with people from foundations serving private high schools in order to get the Homewood-Flossmoor High School Foundation operating. The entire process from approval of idea to first organizational activity took slightly over one year.

Organization and Leadership

Because the idea for the Homewood-Flossmoor Foundation came from a member of the board of education, and the initial funding for the foundation was also provided by the board there has been a very close relationship between the two organizations since the inception of the foundation. The organization was created as a separate entity from the board of education. The by-laws stipulated that the foundation was to have its own board of directors. The initial board consisted of ten members. One of the members was designated as a liaison to the board of education. One of the directors has also been a member of the board of education since the foundation was organized. Another position on the foundation board was also designated for a member of the administration of the school. Originally, the superintendent served on the foundation board. In recent years this position has been filled by the business manager of the district.

When the foundation was first conceived a meeting was held where members of the school board discussed the concept with a group of individuals representing the communities in the district. This group consisted primarily of business leaders and parents of current students. This group also included members of organizations at the high school which were already raising funds for the school. The focus of the meeting was to determine if there was interest in creating an organization designed to provide extras for the school which did not have to come from the operating budget. The positive response led to the planning of an Ice Cream Social where members of the community were invited to hear about the goals of the foundation. Approximately two hundred people attended this event which was sponsored free of charge. From this group of two hundred many volunteers were obtained. A number of the people who attended this ice cream social

were still active with the foundation a decade later.

The foundation board was divided into three sub committees. The first of these was grants. The primary function of this committee has been to solicit grant applications from members of the school staff, administration, school board, and community. Grants have been awarded on a quarterly basis. The grant committee has developed guidelines for grants which have been distributed to all interested parties. These guidelines have also been used by the entire foundation board when determining the number and amount of grants awarded.

The second standing committee of the foundation was the by-laws. Each year the by-laws committee examines the existing by-laws to determine if any revisions are needed. The by-law committee has had to make few changes in the past five years. The third committee on the foundation board was events. The primary purpose of this committee has been to determine the number and type of fund raising activities that the foundation will sponsor each year. These three committees are typical of most foundations that have been studied. What has been unique about the organization and leadership of the Homewood-Flossmoor Foundation was the employment of a part time professional director.

When the foundation was originally organized it was determined that a part time executive director would be hired immediately to coordinate all activities of the organization. Initially, the position was combined with a part time community relations director hired by the school board. The position was equally funded by both the school board and the foundation board. As the responsibilities in each position expanded the jobs were divided. In 1992-1993 two people were employed. The part time community relations director is hired by the board of education. The executive director of the foundation has been employed ten hours per week. Her salary is paid by the foundation. The two individuals share an office in the high school. The foundation also pays \$240 per quarter to the district as a rental payment for the space and use of the telephone.

The director of the foundation has the responsibility of coordinating all activities of the foundation. The person presently in the position acts as a liaison between the foundation and all other organizations at the high school. Her primary responsibility has been to organize all of the fund raising activities planned by the foundation board. She has also had the responsibility for generating the publicity and all communications from the foundation to the public. The director has also acted as the public relations representative

for both the foundation and at some events, for the school district as well.

Foundation Activities and Use of Funds

The initial goal of the Homewood-Flossmoor High School Foundation was to generate funds for the school from outside the operating budget of the district. The foundation board wished to gain immediate recognition by getting money for a project that would have a major impact on the school. The board decided that the first project funded by the foundation was to be called the Abacus Program. This was a project where the foundation worked primarily with businesses in the district to fund the purchase of computer equipment for the school. The project generated a great deal of enthusiasm in the community. It also received a good deal of publicity in the local media. The immediate success of this fund raising effort helped firmly establish the foundation as a viable entity at the school and in the district.

The Abacus campaign was followed by a series of direct solicitation mailings to various target groups within the district. The foundation wished to take advantage of the positive publicity of the initial campaign. The primary mailing was to residents of the district asking for a ten year pledge of funds. Robin Rosenstein, the current executive director of the foundation, stated that “. . . a number of contributions from this original ten year pledge are still being received.”⁵ Nineteen ninety-four will be the final year of this original direct mail solicitation campaign.

“One of the difficulties the Homewood-Flossmoor High School Foundation has had in raising funds is finding their ‘niche.’”⁶ When the foundation came into existence the high school had already had numerous organizations that were involved in raising funds. The foundation wanted to find fund raising activities that would not be perceived as competing with fund raising done by other organizations. In order to do this, the foundation board had to look very carefully at the type of activities it could sponsor.

In the early years the foundation tried a number of different fund raising activities. These ranged from multiple direct mailing solicitations to tag days where volunteers stood at intersections, and in front of banks and grocery stores to collect funds for the organization. As the foundation has matured and established a stronger name recognition

⁵ Robin Rosenstein, Executive Director of Foundation, interview by author, 5 May 1993, Flossmoor, Illinois, tape recording.

⁶ Ibid.

the events committee of the foundation board has settled on having only two or three fund raising events annually. The most successful of these has been the calendar sale. Each year the foundation publishes a calendar of events for the high school. This calendar is sold during the fall registration period for \$10. Over the years the purchase of the calendar has become a regular part of the registration process for the majority of families. "This activity generates between \$12,000 and \$15,000 annually in income for the foundation. The calendar sale has become the trademark fund raising activity for the foundation."⁷ It not only generates a substantial amount of money for the foundation, but it also contains publicity about the activities and contributions made by the foundation to the school district.

A second fund raising event which has become a staple of the foundation has been "Duck Days Afternoon." Nearly every year the foundation has sponsored an event where supporters of the foundation have agreed to sponsor numbered rubber ducks in a race. Ducks can be sponsored at \$5 each or six for \$25. The event which raises about \$5,000 annually has been publicized in the local media, and has received solid support from parents, staff, community members, and businesses in the district. The support comes not only in the form of sponsorship of ducks, but also in the donations of gifts to be used as prizes. One of the primary reasons for the success of this fund raiser has been the quality of prizes awarded. The foundation board has been successful in obtaining the donation of several outstanding prizes each year this event has been held. These have included fully paid vacations at luxury resorts in the Caribbean and other locations. There have also been donations of merchandise from merchants in the district. These attractive prizes have not only made getting sponsorships of the ducks easier, but also have helped generate publicity for the foundation when pictures of the lucky winners accepting their prizes have appeared in the local papers.

The third major source of funds for the foundation has been direct mailings. Each year the executive director does two or three mailings to solicit funds. The target groups for the mailings have varied from year to year. Since the foundation has been in existence for nearly a decade an annual donor's list has been developed. The foundation has also developed lists of businesses, alumni, parents, and other groups in the community. The particular groups targeted will often depend on the nature of the projects being funded for the year. The foundation board targets groups for the appeal who they feel will be

⁷ Ibid.

motivated to give based on the funding plans for the year. "The direct mail solicitation campaigns have raised an average of \$5,000 to \$10,000 each year."⁸

Building Partnerships

A major source of donations obtained by the foundation has been direct contributions of equipment and merchandise. Since the foundation has begun numerous contributions of very valuable materials have been received. These have included lights for the football field, equipment for the school's radio station, computers, a microphone system for the theater, and an electronic scoreboard and timing system for the new swimming pool. These gifts have been made directly to the school by both businesses and individuals through the efforts of the foundation board or its executive director.

The foundation distributes funds quarterly. Grant applications are reviewed by the grant sub-committee of the foundation board. Approval of grants is accomplished through the vote of the entire foundation board. The foundation has usually approved three or four grants each quarter. The amount of the grants have ranged from several hundred to \$3,000 or \$4,000. The foundation frequently only funds a portion of the grant request. The foundation board has established a policy that it is most likely to fund projects that have also received some funding from other sources. This policy has helped form a strong partnership between the foundation and other fund raising organizations at the high school. This has been most apparent when athletic booster clubs have partnered with the foundation to provide equipment for newly created athletic teams at the school. It has also been seen when the foundation has worked with the school board to jointly fund innovative curricular programs in the arts, sciences, and other areas.

Starting with early planning meetings, the foundation has debated the question of building an endowment fund. One of the original board members, Don Kreger, wished to see the foundation adopt an aggressive fund raising campaign where all of the funds raised would be invested. Mr. Kreger hoped that they would be able to raise enough money " . . .so that the foundation could begin generating grants strictly from the income made on the investment of funds."⁹ This goal has not yet been realized. The foundation

⁸ Ibid.

⁹ Donald Kreger, Former School Board President and Foundation Founder, interview by author, 27 August, 1993.

has operated with a small endowment fund for a number of years. The money in this fund has come primarily from gifts which were designated specifically to go into the endowment account. The foundation board still has plans to build the amount of the endowment beyond the few thousand dollars that are presently in the account. The executive director has indicated that the foundation board hopes to develop a new solicitation campaign directed toward many of the original contributors. The goal of this campaign would be to obtain new pledges directed to the endowment fund.

Summary

The Homewood-Flossmoor High School Foundation has been in existence for nearly ten years. The foundation assists a single high school that draws students from a number of the southern suburbs of the city of Chicago. The foundation originated when a member of the board of education suggested starting an endowment fund for the school. Working with the superintendent, this board of education member formed a committee to explore the concept of a foundation for a public school district. "The committee was unable at the time to find any other examples of foundations serving public high schools in Illinois."¹⁰ It used as models a foundation at a private high school, a community college, and several private foundations in the business field. The recommendation of the committee was "... to create an independent foundation separate from the school board, yet still closely linked with the administration and the mission of the high school."¹¹ Using a loan of \$5,000 from the school board and the donated services of the legal firm employed by the school district, the foundation was begun in 1984.

The foundation has faced a number of obstacles from its inception. One of the major ones has been the question of need. The district contains a number of communities that have high priced residential properties. Many of these properties have some of the largest tax bills in the southern suburbs of Chicago. Many residents when first informed of the creation of the foundation questioned its need. Foundation board members and volunteers had to be very careful "... to point out that the goal of the foundation was to provide extras that were not part of the operating budget of the district."¹² This stance required that the foundation choose the funding of grants very carefully. The first project

¹⁰ Ibid.

¹¹ Ibid.

¹² Robin Rosenstein interview.

was to provide a “state of the art” computer laboratory for the school. This was very well received by parents, staff, business leaders and community residents. It gave the new organization a great deal of positive publicity both through the newsletter sent to each household in the district, and from a number of local newspapers that serve the communities that comprise the district.

Another obstacle that the foundation has had to face was the lack of businesses in the district. The area is predominantly residential and contains no major industrial or large commercial businesses. The foundation has worked very hard to get the limited number of business leaders who operate stores in the district involved in the fund raising activities of the foundation. The success of this effort has been seen both in the involvement of businesses in the sponsorship of ducks, and in their generous donation of prizes for the duck races. The foundation has also been able to tap the resources of businesses located outside of the district. This has been accomplished by working with a number of executives of many large businesses who reside in the Homewood-Flossmoor district. Many of the donations of equipment and large prizes for the duck races have come to the foundation through firms whose only connection to the district is through employees and owners who live in District 233. This has been a very important resource that the foundation board has been able to utilize frequently over the years.

The success of the foundation can be attributed to many sources. One of the primary ones has been that the foundation has stayed true to its original mission. Grant guidelines have been very carefully drafted. Each grant application has been carefully evaluated to see that the funds or equipment requested will be used to provide extras that could not be obtained through the regular operating budget of the school. The foundation board has also made it very clear to grant applicants that funding is much more likely to be obtained if the applicant can also show that funds for the project are also being received from other sources. This has fostered a number of partnerships for the foundation. These partnerships have been with parent groups for the funding of substance abuse programs. They have also been with athletic booster clubs for equipment and supplies. The foundation has also worked with alumni groups and businesses on specific projects over the years.

Another reason for the success of the foundation has been their choice of fund raising activities. The Homewood-Flossmoor Foundation has been very careful to choose fund raising activities that have not conflicted with the fund raising programs of other groups

affiliated with the school. The foundation has settled on three basic fund raising techniques annually. The sale of a yearly school calendar has become the trademark fund raiser for the organization. Direct mailings for the solicitation of funds have also become a staple of the foundation. Several specific target groups have been identified. Each year two or three mailings are done. "The target groups are chosen based on the nature of the funding that the foundation is planning to do for the year."¹³ The third fund raising project has been designed to create publicity for the foundation as well as raise funds. In recent years the rubber duck race has been chosen. This event has been a very successful way for the foundation to get publicity in the local papers of its activities and accomplishments.

Consistent leadership, and the close partnerships that have developed among the foundation board, school board, and district administration have also been key factors in the success of the foundation. The by-laws of the foundation were written so that there would be representation from both the school board and district administration on the foundation board. This has resulted in a close working relationship among these three groups. In addition, a number of foundation board members have previously served on the school board while a number of present school board members have been actively involved with the foundation in the past. This partnership among the groups has been manifested in many ways. The most recent has been the latest project being funded by the foundation. This was the development of a state of the art foreign language laboratory for the school. The foundation has been working closely with both the school board and administration on this project. The foundation has made a commitment of \$5,000 toward the laboratory. The executive director and foundation board members have also been working to create new partnerships with executives and business leaders who reside in the district to obtain additional funding and secure the donation of equipment for this laboratory.

The Homewood-Flossmoor High School Foundation is preparing to start its second decade of operation. The foundation has become an established part of District 233. As the foundation looks to the future its leadership has begun searching for ways to increase its impact on meeting the financial needs of the school district. The leadership has begun looking for new ways to recruit volunteers for the foundation. "Numerous volunteers have been involved for many years. As these people get older many are restricting their

¹³ Ibid.

activities with the foundation. Others are planning to retire and move out of the district.”¹⁴ The major challenge presently facing the executive director and members of the foundation board has been to attract new volunteers who have the same enthusiasm as the original foundation board.

As Donald Kreger, who has been a resident of the district for thirty-one years and active with the foundation since its start, stated “Members of the foundation need to be a driving force. You have to find people who are willing to work and give direction to the organization.”¹⁵

¹⁴ Ibid.

¹⁵ Donald Kreger interview.

OAK PARK

Background

Oak Park is a village of nearly 54,000 people located in Cook County. The village is immediately west of Chicago and borders the city on both its east and north sides. District 97 serves 5,200 elementary students in eight K-6 buildings and two junior high schools. The schools reflect the ethnic and racial diversity of the community. The student body for the 1992-1993 school year was 66% white, 28% African-American, 3% Hispanic, and 3% Asian.

The diversity of the community is also seen in an economic profile of the residents. According to statistics from CACI nearly 10% of the population had household incomes of over \$75,000 while another 18% had family incomes of less than \$15,000.¹ Statistics from the Oak Park public schools identified 10% of the students as low income.²

Oak Park is a residential community. There is very little commercial property and no industry. The district receives 80% of its funding from local property taxes. Oak Park, like many other older suburban Chicago communities, is facing the dilemma of trying to meet the needs of both a growing school age population and an increasing number of senior citizens.

The village has a very rich history. It has been the home of literary figures such as Ernest Hemingway and Edgar Rice Burroughs as well as the renowned architect Frank Lloyd Wright. The first school was started in 1857 when "... a teacher had been secured, and twenty-nine pupils appeared to learn what they didn't already know about their A, B, C's and other fundamentals."³ The growth of the school system paralleled the growth of the village. From the earliest days it was obvious that the schools were very important. "The community has always held the schools to be their first common concern."⁴

The commitment to quality education continues today, and was one of the reasons for the birth of the Oak Park Education Foundation. The organization was originally

¹ Neighborhood Demographics Report published by CACI, Arlington, Virginia, March, 1993. p.1.

² Oak Park District 97, Community Fact Sheet, published by District 97.

³ Mary Cook, Little Old Oak Park 1837- 1902, (privately printed by author in 1961), p. 50.

⁴ Ibid. p. 59.

conceived in 1980 by the district administration. "The Foundation received its first contribution at that time. During the intervening nine years the Foundation lay nearly dormant."⁵

In the late 1980's a strategic planning team for the district consisting of forty educational, business, and community leaders was formed. A primary goal of this team was to develop a five year plan for the district. A recommendation of the planning team was ". . . that revitalizing the OPEF was a priority for the future."⁶ In 1987 the by-laws of the foundation were adopted. the foundation received its 501(c)3 authorization in 1989.

Organization and Leadership

"The Oak Park Education Foundation is established for the purpose of accepting contributions, gifts and bequests from individuals, groups, or businesses that would support efforts to enrich and supplement the regular education programs offered to students of Oak Park District 97, Cook County, Illinois."⁷

The initial organizers of the foundation consisted of the superintendent of schools, the business manager of the district, members of the school board, and a number of citizens who were interested in raising funds to support the schools. From the start the mission of the foundation was very clear. "This support shall be for such activities as providing funds for equipment acquisition, utilization of visiting educators such as artist in residence program, mini-grant support for instructional staff, scholarships for students, and other enrichment activities."⁸

The initial foundation board consisted of nine members. The superintendent of schools was one of the directors. The other eight directors were divided into two categories. One group of four was appointed for a term of six years. The remaining four were appointed for a term of three years. After the formulation of the strategic plan, the by-laws were amended in 1990. The foundation board was expanded from nine members to twenty-five. The term of members was also changed significantly. Twelve members were given a three year term while the other twelve were given a two year term. The superintendent of schools remained a member of the foundation board during his

⁵ Oak Park Education Foundation Fact Sheet. p. 1.

⁶ Ibid.

⁷ By-Laws of Oak Park Education Foundation, 20 November, 1987. p. 1.

⁸ Ibid.

tenure in the position.

When the Oak Park Education Foundation was incorporated four officer positions were created. These were president, vice-president, secretary, and treasurer. These officers were to be elected annually by a majority of the foundation board. When the membership of the board was expanded in 1990 the term of officers was extended from one to three years. The superintendent of schools was prohibited from being an officer of the foundation.

The expansion of the membership, and change in the length of term of the directors was done by the board to build a larger base of support for the foundation. The original board of nine members included the superintendent and the business officer for the district. This made it impossible for all schools and segments of the community to be represented on the board. The major expansion in the number of members on the board insured that there would be room for all schools, the teaching staff, and other segments of the community to be well represented.

The reason given for the change in the length of the term of officers was to enable the foundation to have more continuity in terms of leadership. As the foundation grew in size, and in the scope of its activities it was apparent that the duties of each officer had increased. The decision to extend the length of each term was made to provide more stability to the leadership of the board.

From the start the Oak Park Education Foundation has worked very closely with District 97. The foundation was established as a separate entity, but closely linked to the district. This has been reflected in the membership of the foundation board. It has also been reflected in the by-laws of the the foundation. The fiscal year of the foundation has been the same as that of the school district. The ties were also seen in the section of the by-laws dealing with the allocation of funds. "No disbursement shall be made to District 97 without the approval and acceptance of the Board of Education."⁹ This close connection with both the school board and the administration has been a key component of the success of the foundation in Oak Park.

Foundation Activities and Use of Funds

The Oak Park Education Foundation really came to life in November of 1990. "The campaign received a jump start when chairman Eric Gershenson convinced six local

⁹ Oak Park Education Foundation By-Laws Section VI.

banks to offer the challenge grant.”¹⁰ This challenge grant was in the amount of \$37,000. Six Oak Park financial institutions plus two anonymous donors challenged the foundation to raise an equal amount of money in each of the next three years. The foundation board immediately enlisted the support of school organizations, parents, staff, and members of the community in order to meet this challenge. Through individual donations and a special fund raising event the foundation was able to successfully meet the challenge for the initial year in approximately six months.

The funds raised by the foundation to meet the challenge came from a variety of sources. The largest amount came from general donors. Thirty-eight individuals contributed a total of \$13,525.¹¹ The second largest amount came from a benefit production organized by the foundation. This amounted to slightly over \$8,000.¹² The next two largest sources of funds were the PTOs and the Board of Directors of the foundation. Four of the PTOs contributed \$1,000 each to the foundation while an additional three each contributed \$500.¹³ Fourteen members of the foundation board contributed between \$50 and \$1,000 each for a total of nearly \$5,000.¹⁴

The challenge issued to the foundation by the financial institutions and anonymous donors acted as a catalyst for the Oak Park Education Foundation. The foundation was able to raise nearly \$40,000 in a relatively short period of time for two reasons.

The first was that the challenge grant gave the foundation publicity that it had not previously received. The possibility of being given over \$100,000 during a three year period was deemed to be very newsworthy. The local newspapers printed articles about the foundation, the challenge grant, and the proposed use of the funds. This publicity made it easier for members of the foundation board to approach businesses and individuals for contributions. The publicity also made it easier for PTO officers to go to their membership to get approval for the substantial donations from each organization.

The second reason was the nature of the program that the foundation was going to fund. The foundation board was very concerned that it stay true to its mission statement. It wished to fund a project where the money would be used to enrich the curriculum for the

¹⁰ Rick Asa, “Campaign to Fund Global Village” Oak Leaves, 19 June 1991, p. 13.

¹¹ Oak Park Education Foundation Treasurer’s Report September 13, 1991.

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ *Ibid.*

largest number of students possible. The decision made by the foundation was to fund an environmental education program known as Global Village. The foundation had spent eighteen months of research and development on this project before it was announced to the public.¹⁵ One of the committees of the foundation had the responsibility of meeting with representatives of major national foundations located in the Chicago area. Their report to the foundation board indicated that representatives from the MacArthur Foundation and other large foundations indicated that the best areas to request funds were in math and science.¹⁶

Foundation members worked closely with the district administration, staff, and members of the scientific community to develop a program that would enrich the curriculum offered in the schools while touching the largest number of students possible. The Global Village project met both of those criteria. The strategy of introducing Global Village to the children of District 97 made raising funds much easier for the foundation. The widespread support for the project was shown in the wide range of contributors to the foundation which included \$1,500 from the District 97 Education Association.

Global Village was an environmental education program joining scientists from local corporations, museums, academic and scientific institutions in an educational partnership. "The partnership consisted of the adoption of elementary classes by the individual scientists who agree to provide hands-on learning experiences for teachers and students."¹⁷

Global Village was begun in the fall of 1991. The initial intention of the foundation was to fund the program for one year. The success of the program led the foundation to extend the funding for the 1992-1993 and 1993-1994 school years. The foundation also planned some assistance during the 1994-1995 school year. The future beyond that is uncertain. The goal of both the foundation and administration has been that after 1994-1995 Global Village will be incorporated into the District 97 curriculum.

During the first year of the project twenty-two scientists participated in the program. They worked with five hundred fourth and fifth grade students in all eight of the district's elementary schools. The program was coordinated by a District 97 staff member. Part of her salary was paid for by the foundation. The scientists involved came from private

¹⁵ Oak Park Education Foundation Fact Sheet.

¹⁶ Discussion at Oak Park Education Foundation Meeting September 24, 1991.

¹⁷ Oak Park Education Foundation Global Village Fact Sheet.

corporations, colleges and universities, hospitals, and museums. Their employers agreed to allow the individuals to donate some of their work time to the program.

The individual scientists spent up to seven half days working with the children in twenty- four classrooms throughout the district. The students also participated in two field trips that were jointly planned by the scientist and the classroom teacher. One of the goals of the foundation was to get local scientists involved in Global Village. That was very successful the first year with “. . . sixteen of the twenty-two scientists being residents of Oak Park. Ten of the sixteen have, or had children who attend schools in the district.”¹⁸

In addition to the classroom partnerships of Global Village, the Oak Park Education Foundation also sponsored a Young Scientist Conference. This event held on a Saturday in the spring of 1992 gave other students in the district the opportunity to work with a scientist on a wide variety of projects. “About 450 District 97 students got a chance to work with twenty-five scientists and science educators in the first Young Scientist Conference in Oak Park.”¹⁹ It allowed many students in the district to have the opportunity to work with scientists. It also gave the fourth and fifth grade students who had been involved in Global Village the opportunity to display the projects that had been worked on with the scientists in their classrooms.

In 1992-1993 the Global Village program was expanded to include thirty-four scientists. They teamed up with over one thousand students in forty-seven classrooms in all ten schools. The students who participated were in grades three through eight. The program began with students in grade three at the request of the scientists. The program was able to be expanded due in a large part to the success of the program in its first year. Scientists who participated in the project initially shared their enthusiasm for Global Village with colleagues. This led others to become interested in being involved.

The local flavor of the Global Village program continued during the 1992-1993 school year. Twenty-four of the thirty-four scientists who participated during the second year were residents of Oak Park. The initial excitement and enthusiasm toward the project continued the second year. The Young Scientists Conference held in the winter of 1993 was again very well attended. “This year’s Saturday morning conference on

¹⁸ Tom O’Loughlin, Global Village Project Director, interview by author, 4 April 1993, tape recording.

¹⁹ Elizabeth Carvlin, “Young Scientists Take a Global View, Oak Leaves, 15 April 1992, p. 25.

March 6, 1993 for four hundred fifty students included fifty-four one hour workshops led by twenty-seven scientists with the help of thirty-six teacher and forty parent volunteers. The conference also featured an exhibit hall where the community could experience the work that is being done by Global Village."²⁰ The tremendous success of the day was best stated by Carole Mitchener, the head of science education at DePaul University, who stated that this year's Young Scientist Conference was "the most effectively organized school science event I've seen."²¹

Building Partnerships

With the success of Global Village firmly established the Oak Park Education Foundation turned its attention to a new project. This has become known as Technology In Motion. The idea for the project began in the spring of 1992 when the Oak Park Education Foundation began soliciting ideas from parents in the community. According to Tom O'Loughlin, the foundation secretary, and District 97 grant specialist, the foundation received forty-two ideas.²² Many of these ideas involved making more advanced technology available to the students of the district. A committee reviewed all of the ideas. A decision was made to prepare concept papers on five of the ideas and present these papers to the entire foundation board. The board decided to support the proposal to increase technology experiences for the children in the schools.

The foundation realized that trying to get high end technology into each of the ten schools in the district would be prohibitively expensive. The idea was generated to create a source of mobile technology that could travel to each of the schools. A committee dubbed the "dream team" was formed to brainstorm how the program could be developed. "The committee included six parents, District 97 business manager Peggy Wilson, Beye School Principal Susan Gibson, and Rosemary Jarot the district's specialist in computer instruction."²³ The goal was to offer students opportunities to work with technology in ways that would complement the existing curriculum using equipment not presently available in the schools.

The Oak Park Education Foundation agreed to assist in the funding of a two year

²⁰ Unpublished notes of Tom O'Loughlin, Project Director, interview by author, 1 July 1993, tape recording.

²¹ Ibid.

²² Ibid.

²³ Ibid.

budget estimated at \$65,000 to \$70,000 to get Technology in Motion into operation. The goals of the project are to provide students and teachers with access to high end technologies and to increase the creative use of technology by elementary students and teachers. It is also a goal of the project to produce tangible testaments to learning by displaying examples of what students will create in the mediums of art, music, computer programs and robotics.²⁴

The design of the project is to retrofit a school bus named the "Imagination Station." The bus was donated by Vancom Management Services of South Holland, whose regional vice president Ron Fraser is an alumnus of Oak Park schools.²⁵ The plan is to have the "Imagination Station" travel to all ten schools in the district. Using existing school personnel and volunteer technology experts, both staff and students will be able to learn to use high end technology equipment and engage in projects that will "maximize the use of existing technology in the schools and to use the bus visits to extend the students' work through the use of more sophisticated and capable equipment."²⁶

Technology In Motion has created a great deal of excitement among the students, staff, administrators, and parents of District 97. It has also sparked continued enthusiasm among members of the Oak Park Education Foundation. The Technology In Motion project has also received extensive publicity in the local newspapers that serve the village. This has helped members of the foundation raise funds for the project and get many valuable services and materials donated for the project. In addition to the donation of the bus several other companies have volunteered to help with the project. "The bus now will be designed to hold the technology by Danato-Kopusta Associates of Chicago, which is contributing the services through architect Tom Kapusta, a principal in the firm and a Lincoln School parent."²⁷ Donated goods and services have also been received or promised from four other companies which will provide painting, millwork, electrical work, and air conditioning for the project. Both IBM and Apple computer have been contacted by members of the foundation in regard to the possibility of donating equipment.²⁸

The Technology In Motion project shows the close working relationship that exists

²⁴ Ibid.

²⁵ Eric Linden, "Officials Await Technology to Get Technology Bus Rolling," Wednesday Journal, 10 February 1993, p. 8.

²⁶ Tom O'Loughlin interview, 1 July 1993.

²⁷ Wednesday Journal, 10 February 1993.

²⁸ Tom O'Loughlin interview, 1 July 1993.

among the foundation, administration, and staff of District 97. This cooperation was best expressed in a quote by school superintendent Dr. John Fagan made at the unveiling of the project on February 5, 1992 to the students at Lincoln School. "We believe this program captures the spirit of what the Oak Park Education Foundation is all about. It is independent of our curriculum, yet supportive of it at the same time by enriching what goes in the classroom."²⁹

Summary

The Oak Park Education Foundation was originally created in 1980. Under the direction of the Superintendent of Schools a small fund was created for the assistance of the schools in District 97. The fund received very little publicity at the time. There was no organized effort made by either the administration or the school board to promote activities to raise funds for the foundation. As a result of this the foundation laid dormant for a number of years.

In the fall of 1987 a group met which adopted by-laws and formed a nine member board of directors. This board consisted primarily of members of the school board and school district officials. The foundation received 501(c)3 tax exempt status in 1988, but was still an organization that existed primarily only on paper. It was as the result of the development a strategic plan for the schools that a new board of directors was organized in 1990. This new board "... is composed of Oak Park residents who are all professionals in fund raising and business development."³⁰ This group provided the spark necessary to make the organization a viable fund raiser. Under the leadership of Eric Gershenson who served as both a member of the school and foundation boards an aggressive fund raising campaign was launched.

The Oak Park Foundation was closely linked with a volunteer network organized in the district as well as with a full time grant coordinator who was employed by the school district. This close working relationship among the foundation, school board, and district administration was a vitally important factor in its success.

From the very start the mission of the Oak Park Education Foundation was very clear. This could be seen in an interview with Eric Gershenson which announced the start of the

²⁹ Wednesday Journal, 10 February 1993.

³⁰ Rick Asa, "Private Donations Eyed For Schools," Oak Leaves, 14 November 1990, p. 7.

fund raising for the foundation. "It's crucial people understand that when we talk about fund raising we mean providing a foundation of resources for experimentation, innovation and enrichment. We're not talking about funding what should be considered the regular budget for salaries and classroom programs. We're not asking private individuals who are already paying through taxes to support that. People in Oak Park carry a heavy tax burden."³¹ It can also be seen in the two projects that the foundation has chosen to support in the past three years. Unlike most other foundations Oak Park did not start small. It did not choose to begin with mini-grants or the purchase of pieces of equipment as many other foundations have chosen to do. The foundation began by taking advantage of its business connections and the fine reputation of the schools.

The first project the foundation planned to fund was determined before any fund raising campaign was launched. The project was chosen after careful research by a committee of the foundation board. It was also chosen after school board members, district administrators, school staff, and school parents had the opportunity to give input and advice. Global Village met all the criteria that the foundation had established for project funding. The project was something that would enrich the district curriculum in a discipline that was considered very important by all interest groups. Global Village was designed to actively involve a large number of staff, students, and volunteers from both Oak Park and outside the village.

The careful planning, good publicity, and the clever technique of using a challenge grant from the financial institutions and anonymous donors made raising the initial \$75,000 relatively easy. The high profile Young Scientist Conferences held in the winter of 1992 and 1993 also maintained the enthusiasm for the project and generated a great deal of positive publicity for both Global Village and the Oak Park Education Foundation. The commitment to extended funding by the financial institutions enabled the foundation and district to devote more effort to planning projects rather than to the raising of funds.

The Oak Park Education Foundation has been much more actively involved in the planning of projects than many other foundations. The majority of foundations examined both in Illinois and in other parts of the country have devoted most of their efforts to the raising of funds. Although this is an important part of the Oak Park foundation, it is not their only task. The structural organization of the foundation, the quality leadership, and the close link between the foundation and the other interest groups associated with the

³¹ Ibid.

schools have been key components of success.

The Oak Park Education Foundation has worked very closely with the staff, administration, parents, and other community members to plan and finance programs that have touched a large number of students. The foundation has stayed faithful to its mission of developing support for projects which enrich and supplement the curriculum of the district.

By doing this, the foundation has established itself as a very important organization in District 97 in a relatively short period of time. The foundation began with a major plan. By successfully accomplishing this plan the foundation has gained widespread recognition and support in a community with high property taxes. The success of the foundation also comes in the face of competition for funds from the local high school which is a separate district, and has its own educational foundation.

PUTNAM COUNTY

Background

Putnam County is geographically the smallest county in the state of Illinois. It is a rural county in the north central part of the state. The rural nature of the county can best be described by a statement made to the interviewer by one of the key informants who boasted with pride that "Putnam County was the only county in the state that he knew of that still did not have a traffic light."¹ It is one of the oldest counties in Illinois. Putnam County was founded in 1825. When the county was originally chartered it covered over one quarter of the state. It extended from Peoria County on the south to the Wisconsin line on the north. The eastern boundary of the county was the state of Indiana, while its western boundary extended nearly to the Mississippi River. Twenty-four present day Illinois counties are within the original boundaries of Putnam County.

In examining the archival records of the county it is evident that education has played a prominent role from its earliest days. In the booklet History of Putnam County From Its Earliest Settlement to the Year 1876 the Reverend Warren Vallete writes "in the year of 1830 Mrs. Ramsey taught in the log church at Union Grove, she being the first lady teacher employed in Putnam County."² The first school building in the county was established in 1836. It was a private school known as Granville Academy. In 1841 Granville Academy was "made a public school, while still retaining its high reputation."³ The emphasis on education in the county can be further seen in a reference to the Putnam County schools of the late nineteenth century found in Rural Education Pioneers: John Swaney Schools. "Good teachers were attracted to these schools by the high salaries which they paid . . . from \$85 to \$100 per month."⁴ This amount was a great deal more than the average salaries paid at the time in comparable settings. It indicates the commitment to education that existed in the community over one hundred years ago. This commitment remains strong today.

¹ Reed Wilson, Chairperson of Putnam County Educational Foundation, interview by author, 1 April 1993, Granville, Illinois, tape recording.

² Reverend Warren H. Vallete, History of Putnam County From Its Earliest Settlement to the Year 1876 (privately printed by the author), p. 11.

³ Ibid.

⁴ Reed Wilson, Rural Education Pioneers: John Swaney Schools (privately printed by the author, 1988), p. 2.

Putnam County, like all rural counties throughout the state, saw schools begun to serve the residents of both the villages and the numerous farms nearby. As the number of farm families decreased and people left the small towns for the cities the need for schools in Putnam County decreased dramatically. In the 1950's school districts in the area consolidated. One district was created to serve the entire county. The district presently has four schools. There are two elementary buildings, a junior high school, and one senior high school. One of the elementary buildings and the high school are located in the village of Granville which according to the 1990 census had 1,407 residents. Another elementary school is in Hennepin, and the junior high school is located in the tiny hamlet of McNabb in the southern part of the county. The configuration of schools allows each of the incorporated communities in the county to house a school building. This arrangement has been very important in keeping each of these communities closely connected to the county-wide school system.

This connection has been reflected in the financial support given to the schools. Putnam County ranked tenth in per pupil spending during 1991-1992 among the one hundred two counties in Illinois. This was unusual considering the rural nature of the county, the lower household income of county residents, and the fact that the entire population of the county was only slightly over 5,700.

This commitment to education had a direct bearing on the formation of the Putnam County Educational Foundation. The concept began in 1985 as a result of a study done by a group known as the Citizens Needs Assessment Committee. The committee was created to do a comprehensive study of the future needs of the school system. One committee recommendation was to create a financial trust to benefit the schools. This idea of a trust was modified through discussion to be a nonprofit educational foundation. This occurred after the superintendent and school board president each attended separate conferences where the concept of educational foundations was presented. The district first examined the possibility of starting a foundation on its own. After finding few models available, and none of them serving a district as small as Putnam County, the board of education explored the possibility of hiring a professional consultant. The decision to hire a professional consulting company to help them form a foundation was made on a 4-3 vote after a great deal of discussion and debate.

Reed Wilson, presently the chairperson of the Putnam County Educational Foundation, was president of the school board at the time the decision to create a

foundation was made. He stated "The decision to spend the money to hire a consultant when the district was having financial difficulties was a hard one, but it was one with which we were very pleased."⁵ Putnam County hired Educational Foundation Consultants of Williamston, Michigan to help them organize their foundation. Educational Foundation Consultants was founded in 1982 to assist school districts throughout the United States develop educational foundations. This firm has assisted over two hundred districts in twenty-seven states start foundations. They were hired by Putnam County for approximately \$10,000.

Educational Foundation Consultants followed a four step procedure starting with the development of the concept and worked directly with the school district for one year until the foundation was firmly established. The firm has continued to be available to the district so that the activities and direction of the foundation could be evaluated and modified. Members of the Putnam County Educational Foundation believe that the assistance, support and encouragement given to them by Educational Foundation Consultants was a crucial component of their success.

Organization and Leadership

The Putnam County Educational Foundation has operated independently from the district board of education since its start. The school board provided the funds to pay for the consulting firm. Since that time the foundation has worked closely with the board of education, administration, and staff, but has remained an independent entity.

In 1985, district enrollment had dropped to approximately 830 students. The district faced a potential financial crisis. The Needs Assessment Committee submitted a 250 page report to the board of education. The need for additional funding from new sources was apparent. A steering committee consisting of two school board members and three members of the community was chosen to study the feasibility of starting the foundation. This committee was chosen by the president of the board of education. He was careful to represent both the geographical regions and various age groups on the committee. Two of the five committee members were also on the board of education. The other three were each from one of the three townships that compose Putnam County. The steering committee was also balanced between men and women.

⁵ Reed Wilson interview.

With the help of Dr. Glen Gerard, the representative from Educational Foundation Consultants, the steering committee adopted a mission statement for the foundation and determined the direction that the foundation was going to take. The steering committee then carefully selected a nine member Board of Trustees. This board represented all facets of the Putnam County populace and included both the superintendent and the president of the Board of Education. The new trustees worked very closely with Dr. Gerard to write by-laws and to gain tax exempt status from the Internal Revenue Service.

The Putnam County Educational Foundation was carefully organized to be totally independent of the Putnam County school board. As Mr. Reed Wilson stated in an interview on the organization of the Putnam County Educational Foundation:

Independence is very important. All school boards, no matter how good they are, have some baggage. It is hard enough to get a foundation off the ground without burdening them with the baggage that the school district may have.⁶

Mr. Wilson also stated that it was "extremely important to establish a bridge between the school district and the foundation."⁷ This was done in Putnam County through the by-laws of the foundation. The by-laws were written to allow flexibility in a number of areas. One of these was in the area of trustees. The steering committee originally chose the superintendent of schools and the president of the board of education as trustees. The by-laws were written so that both the superintendent and the school board president would serve on the board of trustees as full voting members. The flexibility was established through the option that both could serve, or that they could choose to have a representative serve in their place. Presently, neither the superintendent nor school board president serve in their positions. Each of these people have chosen representatives who happen to be a member of the board of education. This has kept the link between the board of education and the foundation firmly established.

The original number of trustees established in the by-laws was nine. As the foundation has increased its activity and scope, the number has grown to eleven. Mr. Wilson believed that this aspect of the original organization was very important. He stated that the assistance of Dr. Gerard and others from Educational Foundation Consultants was crucial in this area. Mr. Wilson believed the number of persons chosen for the steering committee and the original board of trustees, as well as the way in which

⁶Ibid.

⁷Ibid.

they were selected were crucial components in successfully establishing the foundation. Mr. Wilson, who works as a consultant with districts starting foundations, has seen districts trying to begin foundation make some serious mistakes.

I have seen local school districts start their own foundations. One of the first things they have done is put a notice in the paper advertising for people to serve on the board of trustees, which is absolutely the worst thing you can do to get a board of trustees established. The way to do it is to carefully sit down with people who know the community and make a real effort to carefully select that board of trustees initially.⁸

Mr. Wilson has also seen districts attempt to start foundations by having the original board of trustees composed of fifteen members or more. He also believed that this can be a serious mistake. It is important that the foundation quickly establish a direction and choose projects which will have an immediate positive impact on the schools and in the community. When the original board of trustees is too large, and not carefully chosen this may be difficult to do. Mr. Wilson stated that the "foundation must create an image of success immediately."⁹

Leadership was also a key component in the formation of the successful foundation. Educational Foundation Consultants initially provided that leadership for the Putnam County Educational Foundation. The consultant worked with the steering committee to clarify the mission of the foundation. The consultant also provided a profile of the type of person who should be chosen for the original board of trustees. The consultant worked very closely with the steering committee and the initial board of trustees to develop the first fund raising projects. Dr. Gerard provided time lines for assignments to be completed. "He provided the spark which took ideas, and changed them into plans of action."¹⁰ Mr. Wilson stated that it was very important to "have someone who will make people work on schedule."¹¹ The consultant was able to do this. He maintained a focus that was difficult for the trustees, who were all volunteers to do.

Dr. Gerard worked with the foundation for one year. During that period one of his major tasks was to prepare the foundation for the transition to operate on its own. Leadership roles in the newly formed educational foundation were very important. Mr.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

Wilson stated that the selection of a chairperson was crucial. "You must have a person who believes in the foundation and is willing to make the time and effort commitment to work for its success."¹² Mr. Wilson was that person in Putnam County.

Mr. Wilson has worked with the foundation since its inception. He was the president of the board of education when the report of the Needs Assessment Committee was drafted. He and the superintendent were the individuals who presented the idea of creating a foundation to the board of education. Mr. Wilson served on the initial steering committee. Mr. Wilson also has served on the board of trustees since it was organized. He has been the critical element in the leadership of the Putnam County Educational Foundation since the organization became independent from the assistance of Educational Foundation Consultants. In an interview with a Putnam County business owner who has been active in supporting the foundation the role of Mr. Wilson was discussed. "People in Putnam County are committed to the schools. Mr. Wilson typifies this commitment. He has good sales techniques and is well received in the community. His efforts have contributed greatly to the success of the foundation."¹³

Foundation Activities and Use of Funds

It shall be the mission of the Putnam County Educational Foundation to generate and distribute financial and other resources to the schools for the enrichment programs and other projects aimed at enhancing the quality of education and providing students with extended learning opportunities.¹⁴

This is the mission statement that the steering committee adopted for the foundation in the summer of 1987. The success of the Putnam County Educational Foundation can be partially attributed to the commitment on the part of the foundation to stay true to the precepts of the mission statement. The foundation realized that most of the operating budget of the school district was designated for specific purposes. To find funds for innovative and enrichment activities was often impossible. When possible, it often took a long period of time which often resulted in the enthusiasm for the idea waning before it could be put into place. The foundation became a source of funding for such projects in a

¹²Ibid.

¹³Mr. Terry Judd, Putnam County Foundation Board Member, interview by author, 1 April 1993, Hennepin, Illinois.

¹⁴ Melanie Grivetti, "Education Foundation Aids PC Students," LaSalle News Tribune 6 June 1990, p.12.

much more timely way.

There have been three areas that the foundation has concentrated on in their activities since 1987. These have been technology, fine arts enhancement, and the awarding of mini-grants to staff. The first major purchase by the foundation was a satellite dish for the junior high school. This was done in the fall of 1988 at a cost of \$2,800. This purchase enabled the school located in the most rural area of the county to receive a wide variety of enrichment and educational programming. This purchase also established a commitment to technological improvement which the foundation has followed in its efforts each year. These purchases have benefited students at all grade levels. They range from the acquisition of a weather station and high tech microscopes for the high school to the addition of CD-ROM equipment in one of the elementary schools.

The fine arts was also an area where the foundation believed it could make a major impact. The first endeavor in this respect was a presentation by a fine arts troupe to all Putnam County elementary students. This was funded through a grant from a husband and wife who had a special interest in the fine arts. The second project was the funding of an artist in residence program. This was done in March of 1990. It was accomplished through a \$1,500 grant from the foundation and a matching grant obtained through the Illinois Arts Council. It was also accomplished through the generosity of a business owner in Granville who provided an apartment for the artist to use free of charge during the month she worked with the students at the junior and senior high schools. The foundation has since sponsored a music residency, several assemblies, theatrical productions, and trips for students to cultural events in Peoria and Chicago.

Mini-grants have been a primary focus of the foundation since it began. The foundation developed a sub-committee solely responsible for deciding who would be awarded mini-grants. The first mini-grant was awarded in the spring of 1989. It gave all elementary students the opportunity to participate in a national program which teaches students about inventing. The grant enabled a number of students to visit the Museum of Science and Industry in Chicago, as well as bringing a professional inventor to the Putnam County schools. The mini-grant program was designed to fund activities that would benefit the maximum number of students possible. The program has been very popular with elementary school teachers. They have made the vast majority of the requests. Second grade teacher Jeanne Alleman speaking on behalf of the district staff stated "The mini-grant program has added a great deal, and has given our children

opportunities they otherwise would not have had.”¹⁵ Most grant requests have been honored by the foundation. As Mr. Wilson has explained. “We have approved the vast majority of requests for mini-grants with only a very few exceptions where the funds were not available.”¹⁶

The foundation raised approximately \$15,000 in its first year of operation. In the second through sixth year the foundation raised on average between \$15,000 and \$20,000. This fluctuated slightly depending on the nature of the gifts. The majority of the funds have come from donations made by both individuals and businesses. These donations have accounted for approximately 65% to 70% of the funds being raised. Examination of archival records showed there had been between 400 and 500 annual donors to the foundation. The foundation established a Major Donor Club. A \$100 donation has enabled an individual or business to become a member of this club. Members of the Major Donor Club are recognized frequently in publicity that the foundation generates. They are also recognized by being given free admission to events that the foundation sponsors, as well as by being given priority seating at those events. The attention given to members of the Major Donor Club reflects a priority of the foundation to build a strong base of donors who will contribute to the foundation on an annual basis.

The Putnam County Educational Foundation also sponsors a number of fund raising events during the year. These events are chosen carefully. Mr. Wilson believes there are criteria that must be used in choosing fund raisers. He stated that “you have to have events that can occur year after year.”¹⁷ He also believes that “. . . the events must have image appeal. The foundation should not sponsor bake sales, pizza sales or car washes.”¹⁸ The foundation board also has tried to get as many people as possible involved in the fund raising activities. Mr. Wilson stated that there has been sixty to seventy active volunteers for the foundation. The fund raising events have generated between 25% to 33% of the foundation’s income each year.

The final portion of the funds have come from earned interest. Since its inception, the Putnam County Educational Foundation has had an endowment fund. The goal of the

¹⁵ Elin Arnold, “PCEP Strives to Meet Its Goal,” The Putnam County Record 24 March 1993, p. 9.

¹⁶ Reed Wilson interview.

¹⁷ Ibid.

¹⁸ Ibid.

foundation board has been to try to place 25% of the funds raised annually into the endowment. In early 1993 there was nearly \$20,000 in the endowment account.

In addition to the endowment fund, the foundation has also placed an emphasis on the establishment of estates, bequests and memorials. In October of 1989 the foundation received a donation of more than \$2,000 to establish a memorial education fund. This fund honors the memory of two men who were pioneers of education in Putnam County. The fund is administered by the foundation. The money earned by the fund has been restricted to be used only at the junior high school. The building that houses the junior high school was once an elementary school founded by one of the men.

Building Partnerships

One of the keys to creating a successful foundation in Putnam County has been building partnerships between the foundation and other organizations. Under the leadership of Reed Wilson and other trustees the Putnam County Foundation has been very successful in doing this.

The concept of building partnerships was an important strategy for the foundation at its inception. This partnership building has continued as the foundation has evolved. There has been a commitment on the part of the Putnam County Foundation to continually review both grants and activities with the desire to build partnerships both within, and beyond the borders of Putnam County. The foundation has looked very carefully at all grants awarded. In reviewing these it was apparent that there has been an attempt to make sure students at all grade levels have benefited from them. It was also apparent that staff members at all buildings have been encouraged to apply for, and have received grants.

The board of trustees has not attempted to run a large number of fund raising activities. The ones that have been organized focused not only on raising money, but also on increasing community involvement and awareness. One of the first fund raising events was a musical review that showcased performers from nearly twenty years of previous high school musicals. Many of the numbers were performed by a large percentage of the original cast members. In addition to getting great exposure within the county, the foundation was able to raise additional funds from alumni, and build a wider base of support by selling videocassettes of the production as a charitable contribution to the foundation.

Business partnerships have been cultivated carefully. The original steering committee contained representatives from the business community. The foundation board has always been well represented with local business owners. An ongoing strategy of the foundation has been to try to get businesses actively involved in funding grants. Whenever a proposal is presented which has a correlation to a particular type of business the foundation will contact the applicable businesses to see if they are interested in supporting the grant. An example of this was a grant in the planning stage during the spring of 1993. The high school wished to expand the greenhouse it had. One of the major businesses in Putnam County is a firm that grows bedding plants. Members of the foundation board had been working with the owners of the business to assist in the financing of this project. This greenhouse project was an example of a number of similar endeavors where the foundation has worked closely with a business on a financing a grant related to their product or service.

High visibility has also been an important goal for the Putnam County Foundation. This visibility has been achieved in many ways. It ranges from displaying plaques recognizing donors on the wall near the main entrance of the high school to publishing a six page newsletter. It has also been achieved by annually sponsoring various musical productions which draw large crowds. Recognition has also been generated at the annual public meeting held by the foundation where a noted guest speaker being recognized by the foundation has drawn a sizable audience. By far though, the best way the foundation has received recognition has been through The Putnam County Record. This local paper has been willing to print any article that the foundation cares to submit. It is published weekly and goes to every household in the county free of charge! This paper has been an invaluable tool for the Putnam County Foundation.

The foundation has also worked hard to build partnerships with civic organizations, existing fund raising groups in the schools, and other foundations. The steering committee and initial board of trustees had a strong representation of people involved with civic organizations and established fund raising groups. The foundation has made a concentrated effort to keep these groups informed of what the foundation is doing and maintaining their support. This has been somewhat easier in Putnam County because of its small size and rural location. Many of the active supporters of the educational foundation have also been very involved in the booster clubs and numerous civic organizations in the county.

One way the foundation has maintained the support of the parents involved in raising funds for the schools is by staying away from the type of fund raising activities normally associated with these groups. By doing this the foundation has not been perceived as a threat by any members of these organizations. The foundation has also garnered support from these groups by funding grants that benefit them either directly or indirectly. An early grant by the foundation was for the purchase of new band uniforms and choral outfits for the junior high school. This \$7,000 grant was part of a joint project of the foundation, PTA, and music boosters. This has been a very important way for the foundation to establish the partnership relationship. The commitment that the foundation has made to supporting the fine arts and music programs has also created partnerships both with school parents and other residents of the community.

The contributions by civic organizations have also been an important component of the success of the Putnam County Educational Foundation. There are numerous civic organizations that are very active in the county. Using the Mediamark Research survey database, all zip code areas of Putnam County were analyzed. It was discovered that residents of the county were over 6% above the national average in their likelihood to have actively worked as a volunteer for a non-political organization in the past year.¹⁹

The leadership of the foundation was acutely aware of this propensity toward civic responsibility. They made a special effort to get the support of civic organizations and groups such as the Rotary Club, V.F.W., and American Legion from the start. The success of their effort can be seen in the direct participation of these groups in the fund raising efforts of the foundation.

In September of 1989 The Granville Rotary Club sponsored the visit of a circus to Putnam County. Five hundred dollars from the proceeds were donated to the foundation. This gift was well publicized. A few months later the Granville Masonic Lodge donated the proceeds of its annual pancake and sausage breakfast to the foundation. This again was well publicized and generated nearly \$1,000 for the foundation. These two events are examples of the link that has been forged between the foundation and civic organizations throughout the county.

The final component of building partnerships has been the slowest and most difficult for the Putnam County Educational Foundation. This has been building partnerships

¹⁹ Mediamark Research Inc. syndicated survey database of consumer behavior cited by CACI Fairfax, Virginia.

between the local foundation and other established philanthropic organizations. The foundation has had some success in this area, and has targeted this as a goal of future development.

The first success in this area was in obtaining a \$1,500 matching grant from the Illinois Arts Council in March of 1989. This allowed the foundation to bring a resident artist to the community for a month. A second matching grant was obtained from the Sun Foundation of Western Illinois University. This grant enabled the foundation to bring a live theater presentation to all of the elementary students in the county for a very nominal fee.

A third grant was received in the amount of \$300 from a foundation associated with the Prudential Insurance Company of America. This grant helped finance the purchase of a computer numerical control metal lathe training center for the high school. The grant was obtained through the efforts of the Granville Rotary Club and the local Prudential representative. This grant also exemplified the type of partnerships created between the foundation and businesses and civic organizations in the county.

The foundation board has attempted to obtain grants from the Caterpillar Foundation in Peoria, and has plans to try to obtain matching grants and other types of funding from other regional and national philanthropic organizations in the future.

Summary

The Putnam County Educational Foundation has established itself as an important organization in District 535. Through careful planning and excellent leadership the foundation has become a viable organization in the community. In conversations with residents and by reviewing numerous newspaper articles it was evident to the researcher that the activities and grants made by the foundation have been well received by all segments of the population of the county.

The Putnam County Educational Foundation has worked hard to help improve the image of the schools. By staying true to the "idea of supplementing the budget of the district and not supplanting it"²⁰ the foundation has found its place among the organizations serving the schools. With the assistance of the professional consulting firm the trustees established their independence from the school board, yet have maintained a close working relationship with the school district. This has been accomplished while building strong partnerships with district staff, administration, and school parents.

²⁰ Reed Wilson Interview.

In addition, the foundation has established a firm base of financial support among both businesses and individuals throughout the county. By planning a limited number of annual activities, obtaining widespread publicity, and generating a consistent number of dollars, the foundation has become an established entity in a county where both community pride and community involvement have a strong tradition.

Following the advice of Dr. Gerard and Educational Foundation Consultants, the foundation has established a very solid financial base for the future. During its first two years of operation the foundation spent nearly all of the unrestricted funds raised on high profile projects that impacted a large number of students and staff. In its initial years the foundation also began seeking donations for endowment memorials. The foundation had two early successes in this area. The first was a stock donation in October of 1988 made in honor of the 1931 graduating class of Hopkins High School, a forerunner of Putnam County, by one of its members. This stock donation valued at nearly \$7,000 was given without restriction. The Putnam County Educational Foundation had begun its endowment fund with this donation. In October of 1989 a memorial was established in the name of the two families. Donations were received from family members in seven states and the District of Columbia. This endowment was restricted to educational enrichment and campus improvement at the junior high school. This memorial showed the foundation that it could reach beyond the immediate geographic area to raise funds. Due to the small population of the district the foundation realized that this would have to be an important factor in future fund raising.

These two memorials have been frequently cited in the publicity of the foundation. They have formed the base of an endowment fund that has been growing. These memorials also helped establish the credibility of the foundation. In 1993 the leadership of the Putnam County Educational Foundation began working with individuals on the establishment of two additional memorials that would generate considerable interest income for the foundation.

Upon the advice of Educational Consultants the foundation set a goal of placing 25% of the annual net income after the second year into the endowment account. This has generated nearly an additional \$20,000 for this account in the past four years. The foundation has established itself as a highly visible organization whose sole purpose has been to enrich the educational opportunities for all students in Putnam County. The foundation has been gradually moving from an event oriented fund raising organization to

one where the majority of funds are raised through annual individual and business donations. The foundation is also striving to build a sizable endowment fund which will provide financial resources for the children of Putnam County for many years to come. All of this has been accomplished through the hard work of many individuals. In particular the leadership and drive of Reed Wilson has enabled the foundation to grow rapidly and become a vital part of the educational opportunities offered in this small rural school district in north central Illinois.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

Nonprofit educational foundations have become an important way for Illinois public school districts to raise additional funds. A primary purpose of this study was to determine the extent of this phenomenon in Illinois. The research discovered that there were one hundred seventy-five operating foundations in the state by the spring of 1993. An additional two hundred thirty school districts were considering the start of an educational foundation.

The one hundred seventy-five foundations were operating in all geographic regions of the state. They were found serving elementary, high school, and unit districts. Foundations were assisting school districts of all sizes. They ranged from a small high school district in the north central part of the state that has approximately one hundred fifty students to the city of Chicago, a unit district with over 400,000 students.

The study also examined how six foundations evolved from the idea stage to the point where they became mature organizations having a positive impact on both the schools and communities they serve. The goal in this part of the research was to discover the factors which enabled each organization to achieve this status.

A case study design was selected by the researcher to study the evolution of these effective organizations. This method was chosen because the primary questions asked in the research were "how" or "why," and the focus of the research was on contemporary events over which the researcher had no control. The research in case study design done by Miles and Huberman, Merriam, Yin, and a number of others was used in developing the methodology. Their research had indicated that the multiple case study was the best method to use when doing a study of contemporary organizations which have been in existence a relatively short period of time.

Evidence for the overall study came from both quantitative and qualitative sources. The surveys used in the research to determine the number of foundations, their structure, the activities, as well as the amount of money raised were derived from quantitative methodology. The majority of data in the case studies came from traditional qualitative sources. These included archival records, structured subject interviews, key informant

interviews, document analysis, and direct observation of both foundation meetings and other activities held by each foundation. This resulted in a total study which could be best described as using a mixed methodological approach. The greatest advantage of using mixed methodology for the study was that it enabled the researcher to examine the same data by using different methods of inquiry. This allowed the researcher to employ the process of triangulation to the data before drawing conclusions. Employing triangulation made it easier for the researcher to arrive at conclusions when there were discrepancies among the quantitative data, or when there was contradictory data collected from qualitative sources.

The proper selection of foundations for the case studies was crucial to the design of this research. The researcher first identified and categorized each foundation by the type of school district it served. The quantitative research revealed that the majority of foundations in the state were serving unit districts. Sixty percent of all active foundations were assisting K-12 districts. This represented slightly under 25% of all districts of this type. The research also identified that twenty-three high school districts and forty-five elementary districts had active foundations. These numbers were used in determining the type of districts chosen for the case studies. The six foundations picked for the case studies consisted of four unit districts, one elementary district, and one high school district.

The second factor used in selecting foundations for case study was geographic location. The initial survey revealed that foundations were located in sixty-eight of the one hundred two counties of the state. In the review of literature and examination of previous research, critics of educational foundations had often claimed that these organizations were being used predominantly by wealthy communities to help perpetuate and exacerbate the inequity that exists in terms of per pupil spending between wealthy and poor school districts. An examination of successful foundations operating on both the east and west coasts in preliminary research for this study had revealed that the many successful foundations were serving suburban districts in major metropolitan areas. The quantitative research in this study had indicated that over ninety of the one hundred seventy-five active foundations in Illinois were serving school districts outside of the major metropolitan areas of the state. These figures were the basis for selecting three foundations to be the subject of a case study which were serving school districts outside of major metropolitan areas. These included a small town in the southern part of the state, a rural county wide district in the north central part of the state, and a small city located in a

predominantly agricultural county in the northwest corner of Illinois. The three other foundations chosen to be detailed in the case studies represented an elementary, high school, and unit district each located in the Chicago metropolitan area. Three foundations from the Chicago area were chosen because the six county Chicago metropolitan region had nearly seventy active foundations. There were also a very large number of districts in this section of the state that had indicated they were considering the start of an educational foundation in the preliminary research.

The third consideration used in selecting a foundation to be the subject of a case study was the length of time the organization had been in existence. In studying the evolution of successful organizations in both the profit and nonprofit sector the researcher had discovered that five years was a frequently cited length of time given when discussing how long it would take for a newly formed organization to reach a mature and stable state. Each of the foundations selected to be part of the case studies had been in existence for at least five years when the data collection was begun.

Another factor taken into consideration when choosing a foundation for the case study was the impact that the foundation has had on the school district and the community or communities that the foundation served. In reviewing the literature on successful foundations it was frequently stated that the success of a foundation had to be measured in terms beyond simply the amount of funds raised by the organization. Previous studies had indicated that a successful educational foundation had a positive impact on the morale and attitude of the staff in the school district it served. Studies had also indicated successful foundations were an important factor in building partnerships between the schools and individuals and businesses in the community that did not have a direct link with the district through having children in the schools. Each of the foundations chosen to be the focus of a case study had been recognized as an educational foundation which was having a positive impact on both the school district and the community. This recognition came from several sources. It came from professional consultants who worked with school districts to establish foundations. It also came through discussions with a number of school superintendents who had been involved in the formation of foundations. Evidence also came from a university professor who had done a preliminary study of educational foundations in Illinois.

Other very important factors used in choosing the foundations for the case study were the financial status of the school district and the income levels of residents of the

communities served by the district. As mentioned previously, the most frequent criticism of educational foundations has been that they have been used as a device to help wealthy school districts and wealthy communities create greater inequity in educational spending. The quantitative research of this study revealed that educational foundations were serving both wealthy and a significant number of the poorer school districts in the state. After meeting the criteria of time of existence, size, impact, geographic location, and type of district served, the foundations for the case studies were chosen to reflect a cross section of the wealth of school districts and communities found throughout Illinois.

Conclusions

Several issues were examined in the study. The first involved determining the accurate number of educational foundations assisting public school districts in Illinois. Preliminary research had indicated that there were many more foundations than had been indicated in newspaper and journal articles about foundations in the state. The second was the organizational structure and leadership of the foundation. Research on the nature of organizations and effective leadership had indicated that there were a number of factors that were critical in the successful formation and growth of a new organization in either the profit or nonprofit sector of American society.

A third issue examined in the study was the relationship that existed between the foundation and other fund raising organizations which were operating in the school district. When examining research done on inactive and unsuccessful educational foundations one factor appeared very frequently as a cause of their failure. This was the fact that the foundation was perceived as a threat by other fund raising groups in the school district. An important component of each case study was how the foundation developed a positive relationship with other fund raising groups that already existed in the school district.

The final issues examined involved fund raising activities done by the foundation, and the amount of impact the foundation had on both the district staff and individuals in the community. The study examined fund raising activities conducted by numerous foundations. The purpose of this was to determine if there were any patterns in terms of either success or failure. Selected staff members and community residents were also interviewed to determine the impact the foundation was having on these groups.

Number and Growth of Foundations

The number and growth pattern of foundations was the initial focus of the study. It was evident that the idea of creating an educational foundation was a popular one in Illinois. Over four hundred of the nine hundred forty-two school districts had, or were considering the formation of educational foundation by the spring of 1993. The idea of creating an educational foundation was most popular with unit districts. One hundred seven unit districts had established foundations. Another one hundred eight indicated they were considering foundations. These two hundred fifteen districts represented over half of the districts in the state that had, or were considering foundations. They also represented nearly 51% of all unit districts in the state. It was not surprising that the idea of creating a foundation was most popular in this type of district. Research conducted in this, and other studies had concluded that both alumni of schools and families with children presently attending the schools were two primary sources of donations. It was easy to see why leaders in unit districts believed they could benefit from the assistance of an educational foundation. Unit districts operate a K-12 system. This gives them a number of advantages over the other two types of districts in creating a successful foundation. The first is less competition for funds being donated to educational institutions. Unlike communities with separate elementary and high school districts the unit foundation does not have to worry as much about competition for educational donations. Although nearly all community colleges and universities have foundations, data collected in this study indicated that most of the unit districts do not have this type of competition directly within their communities. The majority of unit districts with foundations in Illinois are located in smaller communities and rural areas of the state. Data also revealed that these districts have a higher percentage of residents in their communities who have no formal education beyond high school than do foundations in communities that serve elementary and high school districts. The unit districts with foundations also serve communities that have a higher percentage of residents who attended the local school system than do the communities in the state which are served by both high school and elementary foundations. Another advantage for unit districts is they serve many children who attend schools in the same district for up to thirteen years. This greater length of time in the same school system contributes to a potential greater loyalty to the schools. The foundations assisting unit districts have targeted alumni as a very important source of contributions. These foundations also indicated that parents of current students have

also been a major target of solicitations for funds and volunteer services. These foundations also had an advantage in that purchases made for the schools were more likely to have an impact on students in the system for a longer period of time than donations made to elementary or high school foundations.

The quantitative data also indicated that unit districts were much less likely than elementary school districts to have considered forming a foundation and decided against it. Nearly twice as many elementary districts as unit districts indicated that they considered forming a foundation but decided against it. When comparing the number of unit districts and high school districts that decided against forming an educational foundation the percentages were nearly identical. The unit and high school foundations both have the advantage of appealing to alumni who have traditionally supported schools at this level. The concept of giving as an alumnus of an elementary district has not been well established in this country. Alumni solicitation has not enjoyed widespread success when tried by foundations assisting elementary districts. The study also found that unit districts were the least likely type to have inactive foundations. Of the twenty-one districts in the state which indicated they had inactive foundations, only six of these served unit districts. This represented only slightly over 1% of all the unit districts in the state.

Illinois had one hundred eight high school districts operating in the 1992-1993 school year. Nearly half of these were located in the Chicago metropolitan area. High school districts were the most likely to have, or to be considering the formation of an educational foundation. Fifty-eight of the districts fell into one of these two categories. Only five of the sixty districts in the state that indicated they decided not to create an educational foundation were high school districts. This clearly represented the smallest percentage of the three types of districts in this category.

The high school districts with foundations were concentrated in the Chicago metropolitan area. Only five of the twenty-three districts with foundations were found outside the six county Chicago area. This pattern was somewhat different when analyzing the districts that were considering starting foundations. Fifteen of the thirty-five were located outside the Chicago metropolitan area. They were found in thirteen counties scattered throughout the state.

Only forty-five of the four hundred twelve elementary districts had established educational foundations. This represented only slightly over 11% of this type of district.

In addition, ten of the twenty-one districts that indicated they presently had inactive foundations were elementary districts. When the statistics on districts considering the creation of a foundation were examined it was also evident that a lower percentage of elementary districts were considering foundations than either unit or high school districts.

The primary reason to explain this is that there has not been the tradition in this country of philanthropy toward elementary educational institutions. The history of educational giving has been primarily directed toward private and public colleges and universities. There has also been a significant pattern of giving to private schools. The growth in giving to public schools has been a more recent trend. The emphasis on donations to public elementary and secondary schools has been on alumni contributions to high schools. There has been very little evidence of philanthropy toward elementary schools.

The effort to garner financial support for public elementary schools has just begun. The historical pattern of educational philanthropy has been a primary reason that elementary districts have not explored the concept of creating foundations to the same degree that high school and unit districts have done. Several elementary district leaders indicated they were waiting to see how successful the high school foundation that serves the same community would be. Only after determining this would they consider starting an elementary foundation that would be seeking contributions from many as the same potential donors as the high school foundations.

Organization and Leadership

The second category of research questions dealt with the organization and leadership of the foundation. One hundred sixty-one of the one hundred seventy-five foundations completed a survey that asked for information in these areas. Significant information was also obtained by carefully examining these areas in each of the case studies. The research identified some common characteristics of leadership and organization that successful foundations shared.

The first of these was related to the way in which the foundation was originally conceived. It did appear to make a difference from where the original idea to create the foundation came. The majority of foundations that rated themselves successful or very successful in the quantitative survey indicated that the original idea to organize a foundation came from either the superintendent of schools or a member of the board of

education. A significant number of successful foundations indicated that the idea had been jointly formulated by the administration and board of education. This ownership of the idea by the leadership of the district was a key factor in getting the foundation incorporated, and in keeping individuals motivated and involved during the difficult early months of developing mission statements, by-laws, and completing the necessary paper work for incorporation and tax exempt status. Interviews of individuals as part of the case studies and data gathered through quantitative sources indicated it was evident that strong leadership from the administration or school board was often a key factor in the successful start of the foundation.

There were other common factors that were identified in the organization of successful foundations. One of these was the positive relationship of the foundation board with the board of education and the district administration. Nearly every foundation examined as part of this study was organized as an independent entity. They were not directly under the control of the board of education or the school administration as was the case in a number of other foundations which were examined in other states. Yet, every successful foundation in Illinois indicated that one of the reasons for its success was the close working relationship that existed between the foundation board of directors and the leaders of the school district. Evidence from the research indicated that this combination of independence and close working relationship had been accomplished in a number of ways.

The first was by establishing a clear mission for the foundation. Successful foundations in Illinois were organized with a clear mission of the purpose and goals. This mission statement was carefully reviewed by both district administrators and members of the board of education. In the majority of foundations examined, members of the board of education or district administrators were actively involved from the start in helping develop the mission statement and setting goals for the foundation.

Another key factor discovered in analyzing the organization of the foundation was the membership of the foundation's board of directors. The research indicated that size of the foundation board was not a critical factor in the success of the foundation. Boards ranged in size from as few as three to over thirty members. The majority of foundations that rated themselves successful or very successful had from nine to fifteen members on their board. Data indicated that there were several successful foundations that had fewer than nine or more than fifteen members on the board. The number of members on the foundation

board was not crucial to success. What was cited as a key factor was who constituted the board of directors, and how long these individuals remained active with the board.

Both quantitative and qualitative data indicated that the successful boards were those which had members who represented all geographic areas of the district. Membership on these boards also reflected a wide spectrum of both the economic backgrounds and ages of residents in the district. The selection of individuals for the foundation board who represented a true cross section of the district was a very important component in establishing a successful foundation. This was done in a number of ways. It was accomplished by creating by-laws which allowed the foundation board to have flexibility in determining the number of members on the board. It was also accomplished by having leaders on the foundation board who were committed to making sure that the foundation was assisting all schools and geographic areas of the district. The research done as part of this study on inactive foundations, and data on foundations experiencing difficulty had indicated that a primary problem was the foundation had been perceived as a special interest group representing only certain schools or a particular community in the district. This had been avoided in districts with successful foundations in two ways. One had been by stating in the by-laws of the foundation that each school and community would be represented on the foundation board. This was not commonly done when the by-laws were originally written. It was done through amendments when the issue was raised because a situation developed after the foundation had been operating for a year or two.

Districts with a large amount of economic and ethnic or racial diversity should be particularly aware of this factor. So should districts which serve multiple communities of various sizes. Evidence indicated that this has been a problem more frequently where there is one larger community in the district from where the majority of students are drawn. In a number of situations the leadership of the foundation has primarily come from this community and residents of other areas in the district have not seen the foundation as an organization that was concerned about their needs or wishes. They also felt that the foundation board did not want their input or assistance. Successful foundations assisting multiple community districts have indicated that having representation on the foundation board from each community or area of the district has been a very important factor in their success.

Qualitative data analyzed as part of the study indicated that effective leadership was a key factor in the successful start and development of a foundation. Every foundation

which was recognized as being very successful indicated that good leadership was a vital factor in their achieving success. The qualitative data also indicated that the style of leadership on the foundation board was an important component of the success. The most outstanding foundation leaders identified through the research shared a number of common characteristics.

The first was their long term commitment to the foundation and the school district. Every outstanding foundation board member identified through the research had a long history of service to the schools. This service frequently began as a board of education member, as a volunteer in the schools, or as an employee of the district. In each case this leader had been involved with the foundation from the planning stage. In several cases the leader indicated that they were very surprised to be still working with the foundation. Many indicated that they had planned to be involved only until the foundation was "on its feet." In a number of cases this period has extended to ten years or more of service.

Another characteristic of a successful foundation leader was the ability to recruit and retain competent and motivated people for the board of directors. Numerous key informants revealed that they had become involved with the foundation at the request of the person identified as a key leader. Many of these individuals indicated that their long term commitment to the foundation was as a direct result of the leadership skills of this key individual.

The effective foundation leaders shared many of the attributes of leadership found in the research of Likert, Blake and Mouton, Hersey and Blanchard, and others. To motivate people effectively these leaders used a variety of leadership styles. These styles varied with the needs of persons being led and the demands of the situation. One common trait was that each of these key leaders was greatly admired by the people being led. This admiration was expressed by long term foundation board members. It was also expressed by volunteers who were helping at their first event.

Effective foundation leaders exhibited great skills in the areas of task analysis and the ability to judge the levels of support needed by peers and subordinates. These leaders were able to accurately analyze the amount of work that needed to be done. They were also able to decide how much support and guidance they would have to give to the people who were going to do it. When asked about this ability, most leaders indicated that this skill had developed over time and through being in many similar situations in the past. The key leaders also indicated that knowing the abilities of fellow volunteers was

also crucial. The fact that successful foundations were being run by boards that had very little turnover, or that had maintained a core of key members over the years made the job of the leader much easier. A number of individuals identified as key leaders indicated that a major influx of new members on the foundation board was one of the most difficult things with which they had to deal. Instructing new board members and learning their strengths and weaknesses took a great deal of time and effort.

A final common characteristic of key foundation leaders was the time they devoted to the organization. Every key leader interviewed indicated that the amount of time they spent on foundation activities was much greater than they had ever anticipated. When asked why they spent so much time the responses were similar. They enjoyed what they were doing. They gained a great deal of personal satisfaction from the accomplishments of the foundation, and most importantly, they felt they were making the schools assisted by the foundation better places for the children to learn.

Relationship With Other Fund Raising Organizations

A new fund raising organization in a school district can easily be perceived as a threat by established fund raising organizations. The research in this study indicated that this could be a major concern for newly formed educational foundations. It was cited frequently as having been an important factor in districts where the foundation has become inactive. It was also cited as the primary problem by a school district which indicated that their foundation would be going inactive in the near future. This perceived competition was also cited as a primary reason why a number of foundations had indicated that they were not having as much success as they had hoped to be enjoying.

It was very important that key leaders, as well as the fund raising committee of the foundation, try to work closely with other existing organizations that raise funds for the schools. There were a number of techniques that have been used by successful foundations in Illinois which created a partnership rather than an adversarial relationship. The first was to have the foundation conduct joint fund raising activities with other organizations. This has been particularly successful in raising money for athletic teams, bands, orchestras, and for generating student scholarships to summer camps in a variety of disciplines. Another successful technique has been for the foundation to carefully choose target groups for solicitation of funds. These target groups tended to be somewhat different than the groups targeted by the PTA's, athletic, and other booster

groups. This distinction has usually been accomplished by having the foundation target alumni, businesses, and by doing district wide mailings designed to appeal to residents who do not have children in the schools.

Another way foundation boards have had success in dealing with other fund raising groups is by choosing projects to fund which are normally beyond the scope of these other groups. Many of the most successful projects organized by foundations in Illinois have been for activities or the purchase of equipment which impact all students in the district. The sponsorship of an arts festival for over 3,000 students, or the purchase of over \$50,000 worth of computers for a new lab are examples of the types of projects which have traditionally been beyond the scope of existing fund raising groups. By choosing large scale projects the foundation has not appeared to be a threat to other groups. By carefully selecting projects the successful foundation has often been able to get assistance from other groups in obtaining both volunteer help and financial donations for the project.

It also has been very important for the foundation to maintain a good relationship with the employed staff of the district. This has been accomplished in a number of ways. Many successful foundations have teaching staff as well as administrators involved in both the planning and decision making process of the organization. Many successful foundations have also initiated mini-grant and other funding programs as quickly as possible so that faculty could directly benefit from the fund raising efforts of the foundation. Many successful foundations solicited ideas for fund raising activities from staff members, and every successful foundation made a conscious effort to keep the district staff aware of both their plans and activities.

Raising Funds

Sixty foundations completed a detailed survey on fund raising activities. A number of conclusions were drawn from this data and through the interviews conducted as part of each case study. Additional information was also obtained through discussions with individuals involved in fund raising for foundations that did not complete the detailed survey.

The first conclusion was that the amount of funds raised by foundations in Illinois was quite small compared to many similar educational foundations in other parts of the country. There appeared to be a number of reasons for this. The first was that the foundations in

Illinois were quite new. Less than 20% of the foundations had been in existence for more than five years. Over half were less than three years old. As with any organization, it takes time to become established. Most foundations in Illinois were just beginning to build a base of financial support when the study was done. The surveys completed as part of the quantitative research indicated that many foundations had established goals for fund raising that were much greater than what they were receiving in their first or second year of operation. The amount of money could be expected to increase as the foundation became a more firmly established organization.

Perceived need was another extremely important factor that has contributed to the amount of money raised by foundations in Illinois. Unlike California, Massachusetts, and a number of other states, there had not been a drastic curtailment in educational spending throughout Illinois. Most districts that have begun foundations have not done so because they had to make substantial cuts in educational programs. The foundations, to a great extent, have not appealed for funds to restore programs which had been cut. They have also not had to ask for funds in order to keep existing programs from being cut. Most of the solicitation of funds has been to offer extras. The enrichment and expansion of educational opportunities has been the primary focus of foundations in Illinois. These appeals have been for far less money than the appeals by foundations in states where the money was needed to pay salaries and to restore programs entirely eliminated from the budget of a district.

The number of fund raising activities held annually by a foundation does not appear to be a criteria of success. None of the qualitative or quantitative data indicated that any successful foundation held more than six major fund raising activities in a given year. Most of these foundations held four or less. Fund raising events have not proven to be the primary way that the majority of foundations have raised funds. The only event that was frequently cited as a major fund raiser was the golf outing. This event was most successful for foundations assisting all types of suburban districts in the Chicago metropolitan area.

Data collected in this study indicated that the greatest amount of funds raised by foundations throughout the state have come through mail solicitations and personal contact. The largest individual contributions to foundations by businesses have come through direct and frequent contact initiated by members of foundation boards. The largest total dollar amounts have been generated through mail solicitations. These solicitations

have been targeted toward both alumni and all residents of the school district. Alumni solicitations have been much more successful for foundations that serve unit and high school districts than they have been for the foundations that serve elementary districts.

Another way foundations have raised funds was by creating an endowment fund where interest was earned on donations made. Approximately half of the foundations have done this. Many others indicated that they planned to do it in the future. In analyzing the data, the establishment of an endowment proved to be a very important fund raising technique. A significant number of individuals involved in raising funds for the foundation indicated that having the endowment fund was an important factor in receiving contributions. Many foundations have indicated that have begun soliciting donations as a memorial or bequest for an individual who was associated with the district in some capacity. Many contributors in these situations indicated that they preferred to contribute in a manner where they knew that their principal would remain untouched, and that the interest from their contribution would be used to assist the schools in perpetuity.

This concept has also appealed to businesses and corporations which have supported the foundation. The endowment fund has been very common for colleges and universities. Many foundation members indicated that representatives from some businesses and corporations were more likely to make a donation to an endowment fund than they were to fund a specific project or make a general donation. Nearly all of the foundations which have been classified as being very successful have endowment as well as general fund raising accounts.

One group that has been targeted for contributions that has proven to be somewhat of a disappointment has been the staff of the districts. A few foundations have begun payroll deduction plans for employees. These have had very little success. When surveyed to determine the areas which have proven to be a disappointment in terms of fund raising, the lack of support from employees of the school district was frequently cited. A number of foundation board members felt that the newness of the organization might be a factor, but many others expressed disappointment in the amount of financial and other types of support given to the foundation by the staff of the district. Some exceptions to this have occurred in foundations where both district staff and administrators had an important and highly visible role. It was evident that the solicitation of funds and volunteer services from school district employees was one area where the majority of foundations felt they could improve.

Overall Impact

Success of educational foundations should not be measured solely on the amount of money raised. The data examined indicated a successful educational foundation was an organization that has had a positive impact in numerous ways. The detailed case study research showed that a foundation could do a great deal more for the school district than simply raise money.

A successful foundation must act as a catalyst. It should serve as an organization where new ideas and visions can be generated. It should provide the spark to challenge teachers and administrators to find innovative and creative ways to improve the educational opportunities for each child in the district. An educational foundation can also be the ideal mechanism for a school district to build important bridges with businesses and residents of the district who do not have a direct link with the schools by having children in the system.

Both the quantitative and qualitative data collected in this study indicated that the value of a foundation had to be measured beyond dollars and cents. There were many intangibles that had to be considered when trying to assess the positive impact of the foundation. One of these was the goodwill created when people worked together for a cause they considered important. Another was the improved communication that developed among the board of education, district administration, staff, and community members while working together on projects. A third was the effort made by foundations to get the business community more involved with the educational systems in the communities. A final factor was the greater visibility of the positive efforts being made by the school district and the foundation. Most successful foundations were able to generate a great deal of publicity about their activities. This publicity highlighted both the efforts of the foundation and achievements of students. This helped to improve or reinforce the positive image of the school district in the community.

Successful foundations also insured that there was high donor and volunteer visibility. They made sure that the donors were recognized publicly if they wished to be. Foundation leaders made sure that both donors and volunteers realized that important things were being accomplished. Successful foundations also made donors, as well as potential donors, realize that the projects could not have been accomplished without their help. This made many people feel important. It strengthened the link between the community and the school district. In many cases members of foundation boards, superintendents, and members of boards of education felt that this improved link between

the community and district was equally important as the resources the foundation provided for the students.

Recommendations

The following recommendations were based upon the findings of this study and through a review of relevant literature.

1. School districts that are seeking to raise some additional funds and improve their image in the community should consider the creation of an educational foundation to accomplish both of these.
2. That districts which are planning to start a foundation work very closely to develop a clear mission statement and establish reasonable and attainable goals for the foundation in its initial years of operation.
3. That the foundation be created as an organization independent from the board of education and district administration. Yet it is extremely important that the foundation maintain strong communication links with these groups.
4. That new foundations target their fund raising activities toward high visibility projects that will be designed to impact the maximum number of students possible.
5. That new foundations distribute some of the funds raised as soon as possible to increase both support and awareness.
6. That foundations develop a newsletter or other means to keep the public informed of both their achievements and their plans.
7. That foundations seek projects where they can work in partnership with other fund raising organizations in the district. They should also try to select projects that may be beneficial to the community as well as the students in the schools.
8. That foundations concentrate on partnership building in the community as well as

trying to raise funds.

9. That foundations not take successful fund raising programs for granted when sponsoring them a second or subsequent time.

10. That foundations must institute practices that will insure widespread publicity for their activities.

11. That foundations make sure to try to see that their board of directors reflect the full spectrum of the people who are residents of the districts.

12. That foundations enable both administrators and staff from the district to be actively involved in planning and fund raising activities.

13. That the foundation board appoint a member who will act as a liaison with other fund raising organizations in the district.

14. Elementary district foundations should initiate efforts to work cooperatively with the high school foundation that serves the same community.

15. That a statewide network be created which would allow foundations to share information and ideas. This would also provide a support system for foundations experiencing difficulties. This network would also serve as a source of information for districts planning to begin a foundation.

Questions for Further Research

The data collected as part of this study have indicated that there are a number of possible questions for further research.

1. What has been the extent of the impact that the creation of a successful foundation has had upon the residents of the community?

2. To what extent has the creation of the foundation helped build new partnerships

between the school district and businesses in the community?

3. What has been the impact of the foundation on the teaching and administrative staff of the district?
4. What specific factors have caused some foundations to become inactive or disbanded?
5. What factors have enabled some foundations to develop strong, long term leadership?
6. What strategies have been used by foundations to build a strong base of volunteer support in the community?
7. Are there common factors among individuals and businesses that have made substantial and consistent financial contributions to foundations?
8. Have the activities sponsored by the foundation impacted the educational achievements of the students in the district being assisted?

APPENDIX A

December 2, 1992

Dear Superintendent,

The enclosed questionnaire is being used to determine the number of school districts in Illinois that have created, or are considering creating a not for profit educational foundation for the purpose of providing financial assistance to the district. This is part of a research study I am conducting at Loyola University in Chicago.

As an elementary school principal I am acutely aware of the numerous financial challenges that school districts throughout the state are presently facing. This research is concerned with determining if the creation of a local educational foundation is a viable way to meet some of these challenges.

The time required to complete this questionnaire is less than two minutes.

After completing the questionnaire which is on a self addressed, stamped post card please mail it as soon as it is convenient (today, if possible). The next stage in the study cannot be initiated until this "inquiry" phase is completed. Your assistance is greatly appreciated.

Sincerely,

William Crannell

The information below was placed on the back of an addressed and stamped post card sent to the researcher.

SCHOOL DISTRICT# _____ COUNTY _____

Please check the appropriate response:

- _____ Our district is presently being assisted by an educational foundation.
- _____ Our district has had a local educational foundation, but it is presently inactive.
- _____ Our district is presently considering the creation of an educational foundation.
- _____ Our district has considered the creation of a local educational foundation, but decided against it.
- _____ Our district has not considered the creation of a local educational foundation.

THANK YOU VERY MUCH FOR YOUR ASSISTANCE

APPENDIX B

Survey of Districts with Inactive Educational Foundations

District# _____

County _____

- _____ 1. Year foundation was organized.
- _____ 2. Year foundation became inactive.
- YES NO 3. Was a professional consultant used in the formation of the foundation?
- YES NO 4. Was the superintendent involved in the formation of the foundation?
- YES NO 5. Were members of the school board involved in the formation of the foundation?
- YES NO 6. Were members of existing fund raising organizations such as the PTA's or booster clubs involved in the formation of the foundation?
- YES NO 7. Were teachers or administrators involved in the planning of the formation of the foundation?
- YES NO 8. Were members of the business community involved in the formation of the foundation?
- YES NO 9. Did/Does the foundation have a Board of Directors?
- _____ 10. Number on Board of Directors.
- YES NO 11. Would you be willing to complete a more detailed survey on funds raised and fund raising activities employed when the foundation was active?

12. What were the primary reasons the foundation became inactive?

Contact Person: _____ Address: _____

Telephone: () _____

APPENDIX C

Survey of Districts with Active Educational Foundations

District# _____ County _____

- _____ 1. Year foundation was organized.
- _____ 2. Person or group where the idea for the start of the foundation originated.
- _____ 3. Number of persons currently on the foundation board of directors.
- YES NO 4. Was a professional consultant used in helping organize the foundation?
- YES NO 5. Is the superintendent a member of the foundation board?
- YES NO 6. Is an administrator other than the superintendent a member of the foundation board?
- YES NO 7. Is a teacher or other staff member part of the foundation board?
- YES NO 8. Is a member of the school board also a member of the foundation board?
- YES NO 9. Does the foundation employ paid staff?
If yes, is this person Full Time _____ or Part Time _____
- YES NO 10. Was a professional consultant employed to help organize the foundation?
- YES NO 11. Has the foundation established an endowment account?
- YES NO 12. Would you be willing to complete a more detailed survey on the foundation and its activities?
- YES NO 13. Would you be interested in participating in the development of a network system where districts with foundations could share information and ideas?

Contact person for the foundation: _____

Mailing Address: _____

Telephone: () _____

APPENDIX D

Detailed Survey of Active Educational Foundations

Funds Raised

Would you please indicate the average amount of funds that the foundation has raised annually since its inception.

ANNUAL FUNDS RAISED

 Under \$1,000 1,000-4,999 5,000-9,999 10,000-14,999 15,000-19,999 20,000-24,999 25,000-50,000 Over 50,000 Other No funds raised

GOAL FOR FUNDS RAISED

 Under \$1,000 1,000-4,999 5,000-9,999 10,000-14,999 15,000-19,999 20,000-24,999 25,000-50,000 Over 50,000 Other No goal set yet

2. Have any funds obtained by the foundation come through a grant from another foundation? If yes, what type of grant(s) have been received?

YES NO Type:

3. Have any of the funds raised by the foundation come through a matching grant program?

YES NO

4. How many fund raising activities does the foundation hold annually?

0 1 2 3 4 5-6 7-9 10-12 Over 12

5. Who decides on the fund raising activities conducted by the foundation?

Foundation Funding Survey

1. How were start up funds for the foundation obtained? Please check the appropriate response.

- ☐ Initial funds were provided by the school board.
- ☐ Initial funds were loaned to the foundation by the school board or other group.
- ☐ Initial steering committee or foundation board of directors made individual contributions.
- ☐ Initial funding came from existing fund raising groups such as PTA or other organization.
- ☐ Funds came from an individual or business in the community.
- ☐ An initial fund raising event was held to obtain the funds.
- ☐ Source of original funding is not known.
- ☐ Other: Please explain _____
- _____

2. What types of fund raising has the foundation conducted? If the foundation has not conducted any fund raising activities yet, please check activities that are planned. If an activity is done more than once, please indicate the number of times the activity is conducted each year.

- Mailings: ☐ District wide ☐ Alumni ☐ Business ☐ Parents
- ☐ Phone-A-Thon ☐ Tele-A-Thon ☐ Radio-Thon ☐ Auction
- ☐ Golf Outing ☐ Outing to Professional sports event ☐ Las Vegas Night
- ☐ Theatrical Production ☐ Riverboat gambling outing ☐ Formal dance
- ☐ Race track outing ☐ Las Vegas night ☐ Bingo ☐ Informal dance
- ☐ Family picnic or barbecue ☐ Pancake breakfast ☐ Pot Luck Supper
- ☐ Ice Cream social ☐ Amateur talent show ☐ Candy sale ☐ Bake sale
- ☐ Car Wash ☐ Craft show ☐ Class Gift ☐ Others: Please list
- _____
- _____

3. Has the foundation conducted any fund raising event in connection with another existing fund raising organization in the district?

YES

NO

If yes, please list what has been done cooperatively _____

4. Do you think any fund raising activities sponsored by the foundation have been perceived as a threat by other fund raising groups in the district?

YES

NO

If yes, please list the organizations who you perceived felt the fund raising of the foundation was a threat.

5. Please list the fund raising activities conducted by the foundation which you felt were most successful.

6. Why do you believe these activities were successful?

7. Please list fund raising activities that have not been as successful as hoped. Why were these events not as successful as hoped?

8. Overall, how would you rate the success of the foundation.

_____ Very successful _____ Successful _____ Less successful than anticipated
_____ Unsuccessful

9. What are the reasons for the rating that you have given?

Survey of Foundation Disbursements

1. Please check the ways in which funds raised by the foundation have been distributed.

_____ Grants to teachers _____ Grants to administrators _____ Grants to students

_____ Grants to parents _____ Grants to PTA or other organized groups

_____ Scholarships _____ Grants for athletic programs _____ Maintenance

_____ Capital improvements _____ Salaries for district staff

_____ Salaries for foundation staff _____ Purchase of equipment

Please list the equipment that has been purchased for the schools:_____

[illegible]

Other_____ Please list:_____

2. Does the foundation have an endowment? YES NO If Yes please answer below

What dollar amount has been placed in the endowment account?_____

Has the foundation established a percentage of funds raised to go into the endowment account? YES NO If yes, what is the percentage

How are fund in the endowment fund invested?

☐ Interest bearing savings account ☐ Money Market funds

_____ Treasury bills _____ Trust funds _____ Other: Please explain _____

.....

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01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 10

If no, please answer the following:

Does the foundation plan on starting an endowment fund? YES NO

3. Who determines how funds raised by the foundation are distributed?

 Determined by a specific committee of the foundation board

 Determined through the vote of the entire foundation board

 Determined by the school board

 Determined by the superintendent or other district administrator

 Other: Please explain _____

4. Please indicate how funding requests are reviewed?

YES NO Reviewed by superintendent

YES NO Reviewed by building principal or other district administrator

YES NO Reviewed by members of the school board

Other: Please list _____

5. Is there a specific time frame when funds are given? YES NO

6. If yes, how often are funds distributed? monthly quarterly

 semi-annually annually Other: _____

7. Has the foundation set a maximum dollar amount per funding request? YES NO

If yes, what is the maximum amount of a grant _____

8. Approximately how many funding requests are received annually? _____

9. Approximately what percentage of funding requests are approved by the foundation annually? _____

10. In which area has the greatest amount of foundation funds been distributed?

_____ awards to teachers _____ awards to administrators _____ scholarships

_____ salaries for district personnel _____ salaries for foundation staff

_____ equipment: please list _____

_____ Other: please list _____

APPENDIX E

Structured Interview Questions for Key Informants Associated with Selected Foundations

1. Who had the original idea for the foundation?
2. Who were the individuals that did the original planning for the foundation? How were they chosen?
3. How long did the group meet before the decision to create a foundation was made?
4. When the decision to create a foundation was made, how was this information communicated to the public?
5. Did the foundation create a board of directors? Who was on the original board? How were they selected?
6. Was there one individual who assumed a leadership role when the foundation was first organized? Who was this person?
7. Was a professional consultant used in the development of the foundation? Was an attorney used to help develop the by-laws, or file the incorporation documents?
8. What is the relationship between the foundation board and the school board of the district?
9. Please describe the ways in which the foundation board communicates with the school board and the administration of the school district?
10. How does the foundation board communicate with the teaching staff of the school district?
11. How does the foundation board communicate with the parents and other residents of the school district?
12. Does the foundation publish a newsletter or use any other means of publicity? How often is this distributed? To whom is it distributed?
13. Does the foundation Have paid staff? If no, is this planned in the future?

14. What has the foundation done to get its message to the public? How has the foundation let the public know that the funds it is raising are necessary?

15. What groups or individuals have shown strong support for the foundation?

16. What groups or individuals have shown opposition to the creation or operation of the foundation? Why did this occur? Is there still opposition to the foundation?

17. How many members are on the foundation board? How many committees are there? What are their functions? How is committee membership decided?

18. How many volunteers does the foundation have? How are they recruited? How are they used?

19. How often does the foundation hold meetings? Are these meetings open to the public? How are they publicized? How many people usually attend?

20. What fund raising activities does the foundation hold? How often are they held? Who decides what fund raising activities are held? How are they publicized?

21. What have been the most successful fund raising activities? Why have they been successful?

22. What have been the least successful fund raising activities? What caused them to be less successful than anticipated?

23. How has the money raised been utilized? Who determines this?

24. What group has been the best supporters of the foundation? Why do you think this has been the case?

25. How do you see the future of the foundation?

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